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OPERATIONAL ACTIVITIES FOR DEVELOPMENT:
TRIENNIAL POLICY REVIEW OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM

ECONOMIC AND SOCIAL COUNCIL
Substantive session of 1995
Item 4 of the provisional agenda**
OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION

Triennial comprehensive policy review of operational activities for development of the United Nations system

Report of the Secretary-General

I. INTRODUCTION

1. In accordance with General Assembly resolution 47/199 of 22 December 1992 on the triennial policy review of the operational activities for development within the United Nations system, an analysis of the implementation of the resolution in the form of an interim report was submitted to the Economic and Social Council at its substantive session for 1995 (E/1995/98). It was indicated therein (para. 3) that the recommendations of the Secretary-General which had been requested in paragraph 55 of resolution 47/199 would be submitted following the preliminary consideration of this subject during the operational activities segment of the Council and that the interim report would be finalized in time for the triennial comprehensive policy review.

2. Accordingly, the Secretary-General is submitting his recommendations, taking into account the discussions on this subject during the Council's substantive session of 1995, the additional information provided by countries since the interim report, and the views of the appropriate inter-agency bodies. The updated interim report, which takes account of additional questionnaire responses submitted by Member States, appears in the annex.

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3. The findings and recommendations that follow take as their starting-point the position enunciated by the Secretary-General in his report on an agenda for development with respect to operational coordination which stated that:

> "Efforts to enhance operational coordination within the United Nations should endeavour to achieve the benefits of a unified system, while preserving the strength of the current approach.
>
> "Such efforts should be aimed at the following objectives, among others: building a more integrated, efficient and effective framework through which the United Nations can better assist countries in realizing their development objectives, including clearer and more complementary definition of the roles and missions of the various components; eliminating duplication and fragmentation; strengthening leadership and cooperation at country, regional and headquarters levels; strengthening United Nations capabilities in the coordination and delivery of humanitarian assistance, the linking of emergency relief and development, and in the promotion of preventive and curative development; mobilizing analytical and normative capacities and strengthening the role of the Organization in interrelated areas such as trade and access to technology, in support of operational activities; defining the appropriate level - country, region or headquarters - for activity on various issues; integrating the regional commissions with the development work of the Organization as a whole; strengthening the resident coordinator and country-driven approaches; streamlining the delivery capacity of the United Nations through common premises, the programme approach and common programming cycles; and achieving more rapid and aggressive implementation of General Assembly resolutions 44/211 and 47/199, including the country strategy note and other tools, for a more integrated United Nations response to country priorities" (A/49/665, paras. 86-87).

A. Context

4. The fiftieth anniversary celebration provides an opportunity to reflect on the future scope and nature of the operational activities for development within the United Nations system and to give further impetus to the reform process already under way, particularly in the interconnected areas of governance and resources - carried out within the framework of General Assembly resolution 48/162 - and enhanced coherence, efficiency and effectiveness - promoted by General Assembly resolution 47/199.

5. The outcome of the current intergovernmental discussions on an agenda for development will undoubtedly have a bearing on the future of operational activities. This process should provide an opportunity to reaffirm the commitment to and recognition of the unique advantages to Member States both individually and collectively of development cooperation provided through the United Nations system.

6. The contemporary development context includes a greater degree of heterogeneity not only in the levels of development of countries but also in

their perceptions of the role of external aid in general and, more particularly, in the use of United Nations development resources.

7. Official development assistance in general, and the development activities of the United Nations system in particular, are affected by stagnant and, in some cases, declining resources in real terms. There have also been repeated calls to enhance the efficiency and effectiveness of the United Nations system development assistance within existing resources. At the same time, the increase in humanitarian emergencies during the past few years has led to renewed attention being given to linkages between development and emergency assistance. These developments raise questions as to how best to put to use United Nations system operational activities so as to yield optimum results and maintain the attention and commitment of donor countries.

8. The United Nations system is being asked to help Governments address major development problems that go far beyond the financial resources that the system can make available. For operational activities the gap between what Member States seek and what can be responded to by the system is large and widening.

9. Within this changing environment, operational activities are adapting to new requirements of recipient countries. As shown in the annex, demand for the development services provided by the United Nations system is increasing in scope and volume both in traditional and in new areas. These resources are increasingly used by some Governments to support national reconstruction, relief and development, administrative and institutional reform, disaster management, drug control and activities related to human rights. At the same time, programme resources are becoming scarcer, requiring an increased attention to priority-setting.

B. Implementation of resolution 47/199

10. The preparatory process for the present report followed a two-track approach: detailed questionnaires sent to Governments and organizations of the United Nations system and the resident coordinator system, and case studies drawn up on the basis of country missions. While the annex is based primarily on the analysis of data collected, especially from Governments, the policy recommendations have benefited from the deliberations and resolutions of the Economic and Social Council at its substantive session of 1995. The principal findings emerging from the addendum are described briefly below.

11. The annex lays out the changing trends in operational activities and deals with the broad themes of programme development and implementation, United Nations system coordination mechanisms at the global level in support of country actions, the resident coordinator system and programme support. It provides a summary analysis of the results of the review noting the directions and demands, the shift from individual projects to support of and inputs to national goals and strategies, the broadened reach and range, the growing importance of humanitarian aid and the imperative of enhanced cooperation with the Bretton Woods institutions (BWIs). It deals with the growing upstream role of the United Nations system in some countries; the increasing specificity of country contexts; the differing perceptions of how and where United Nations system

assistance can make a development difference; evaluation, monitoring and review; and the cross-cutting nature of capacity-building.

12. There is a broad consensus that developing countries' capacities require selective strengthening in order to achieve greater self-reliance. This needs to be done in new and more effective ways to promote a coordinated response which is effectively integrated into national priority programmes.

13. The annex reviews a number of coordination mechanisms and operational modalities such as the country strategy note, harmonization of the programming cycles, the programme approach and national execution. The country strategy note has been generally welcomed as a promising basis for better and more coordinated United Nations system operational activities in support of national plans, strategies and priorities. The report indicates the current status of the adoption and implementation of the country strategy note in Member States. Six States have completed the country strategy note and a total of 85 States are in the process of preparing it. Six States have formally decided that they do not wish to implement this measure. The United Nations system and resident coordinators are also playing a strong and active supporting role.

14. Increasingly, developing countries are shifting from project technical cooperation towards modalities that emphasize support for national programmes, around which the United Nations system inputs are mobilized in a flexible manner, and often linked to other sources of external financing. There are more requests for upstream policy advice and technical support, with the result that policy-making, normative analysis and technical assistance are being brought together.

15. National execution has been widely welcomed by recipient countries as a major means of promoting the national management of United Nations development assistance and is increasingly the preferred modality by the United Nations system operational activities. While traditional agency-executed activities have markedly diminished, as concerns their involvement in nationally executed activities the trend appears to be to obtain their technical services more selectively, particularly through short-term expertise. Adjustment by the organizations to the new situation has not been without difficulty in several instances.

16. The annex provides a broad overview of the work of the Consultative Committee for Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC). Under the guidance of ACC, CCPOQ has made important contributions to the implementation of General Assembly resolution 47/199, in particular to the strengthening of the resident coordinator system, by agreeing to a statement on the role and function of the resident coordinator system, developing guidelines on the country strategy note process, developing common system-wide interpretations of the programme approach, and promoting national execution and common operational activities training. The Inter-Agency Working Group on Monitoring and Evaluation has prepared proposals on the harmonization of monitoring and evaluation as a step towards developing common principles and policies for the programme approach.

17. The Joint Consultative Group on Policy (JCGP) and its working groups and committees have devoted much of their attention to the implementation of resolution 47/199. Significant progress has been achieved in areas such as the harmonization of programme cycles and harmonization of key terminology in the United Nations development system and the planning of common premises. Concerning the harmonization of programming cycles, those JCGP organizations which have programming cycles (United Nations Development Programme, United Nations Children's Fund and United Nations Population Fund) have achieved about 80 per cent harmonization in all countries or expect to do so in preparing the next country programme or similar instrument.

18. The resident coordinator system, over the last three years, has undergone considerable strengthening and enhancement in a number of substantive areas, involving subjects such as the preparation of the country strategy note and the application of the programme approach and national execution. The procedure for selection and appointment of resident coordinators has been improved. Steps were taken to strengthen the resident coordinator system which are described in the annex, including the widening of the pool for recruiting resident coordinators, the development of a new statement on the role and functioning of the resident coordinator system, the provision of substantial financial support by decision of the Executive Board of UNDP in June 1995 and by intensifying the number and frequency of training workshops and other measures.

19. Many United Nations system organizations have introduced, over the last three years, changes in their organizational and management structures and practices, not only in response to General Assembly resolutions but also as an ongoing process of streamlining, simplifying and enhancing the impact and effectiveness of their activities, as directed by their own governing organs. Decentralization and empowerment of field offices are key elements in these efforts.

20. The annex also provides information on other issues, such as common premises and common services, accountability, monitoring, evaluation and audit.

C. Recommendations

1. Role of the Economic and Social Council

21. General Assembly resolution 48/162 on the restructuring and revitalization of the United Nations in the economic, social and related fields envisages that the General Assembly and the Economic and Social Council should supervise the activities of the United Nations funds and programmes and provide overall policy guidance to their executive boards, which will be subject to the authority of ECOSOC. The role of ECOSOC in ensuring coherence in the policy approaches of the United Nations funds and programmes is critical to enhance the collective efficiency and impact of operational activities at the country level. The Secretary-General has made recommendations on this topic separately in his reports concerning an agenda for development.

22. ECOSOC's relationship to the Executive Boards of the funds and programmes needs further consideration. Building on the experience of the past three

years, greater efforts need to be made to bring country experience to bear on the policy role of ECOSOC. As a means of providing substantive support to ECOSOC in monitoring the implementation of General Assembly resolutions, consideration should be given to strengthening the capacity of the United Nations system to undertake evaluations of the impact and effectiveness of operational activities.

23. Concerns about the efficiency and effectiveness of the United Nations system operational activities have been addressed both individually and collectively by organizations, intergovernmental bodies and inter-agency bodies as detailed in the annex and the Secretary-General's annual reports to the Council in 1993 and 1994 on operational activities. In future renewed efforts need to be made to ensure consistency in the individual actions taken by all bodies and organizations with the provisions of the relevant General Assembly resolutions. Improved monitoring of the implementation of policy guidelines emanating from the comprehensive policy review is necessary to ensure more effective and coordinated support of country-level action.

Recommendation 1

24. ECOSOC, in reviewing the annual reports of the Executive Boards of the United Nations funds and programmes, should ensure that the activities and operational strategies of each fund or programme are consistent with each other and mutually supportive, within the overall policy guidance of the General Assembly and ECOSOC; that the results and impact achieved are commensurate with the resources and efforts devoted to them; and that the provisions contained in any future triennial policy resolutions are being implemented fully and consistently.

Recommendation 2

25. Additional practical steps to facilitate greater operational coordination are needed. Building on recent experience, joint reviews of country strategy notes and country programmes by the Executive Boards should be further developed, in order to improve the linkages between them. Consideration might be given to utilizing these reviews to identify shortfalls in the resources required to carry out principal activities identified in the programming process.

Recommendation 3

26. A common approach to the undertaking of country visits by members of the various Boards and intergovernmental bodies of the United Nations system dealing with operational activities should be instituted. More systematized informal exchanges in connection with Board meetings with senior representatives of the United Nations system at the country level and with national officials responsible for development coordination should be established in the context of Board meetings and other intergovernmental sessions.

Recommendation 4

27. Specific areas falling within the responsibility of various organizations and intergovernmental bodies such as common premises, sharing of services, simplification and harmonization of procedures and other management action to enhance efficiency should be reviewed periodically by relevant subsidiary bodies of ECOSOC and other governing bodies of the United Nations system and simple reports following the same structure detailing specific management and Board action over a given time period should be submitted to ECOSOC.

2. Improved substantive dialogue at country level

28. Over the last decade, much development assistance has gone into efforts to adjust economies to the effects of world recession, to evolving concerns about governance, equity and environmental and economic sustainability, and to continuing concerns over poverty and demographic issues.

29. Short-run, macroeconomic stability, a necessary foundation for long-term development, has been achieved in many developing countries. It is necessary for countries to go beyond adjusting to relatively short-run shocks, and to formulate the longer-term vision and strategy needed to mobilize their societies for their own development. In order for them to do so, there is an identified need to strengthen the policy dialogue within the country.

30. The resident coordinator system should be an important vehicle in supporting, within the framework of national priorities and management arrangements, this policy dialogue as well as processes which facilitate a clear dialogue between Government and its external partners. The objective should be better mutual understanding both of the country's problems and of proposed solutions, including the international community's contribution to them.

31. The increased use of global conferences by the world community to address problems and issues that are of genuine concern to all nations is making an important contribution to operationalizing the concept of a global compact and creating a body of global priorities. While the principal responsibility for the implementation of the outcome of these conferences rests with each country, the United Nations system has been mandated by governing bodies to support national efforts utilizing the country strategy note, the resident coordinator system and other relevant mechanisms and tools.

32. The United Nations system is organizing itself to respond to cross-cutting issues emerging from these mandates by means such as inter-agency bodies and task forces led by different lead agencies. The Inter-Agency Committee on Sustainable Development for the implementation of Agenda 21 and the Inter-Agency Task Force for the implementation of the Programme of Action of the International Conference on Population and Development are examples of such arrangements. In this way, it seeks to optimize its collective support for the implementation of global compacts and the commitments contained within them agreed upon at global conferences.

33. At its substantive session of 1995, ECOSOC addressed the question of the coordinated follow-up to, and implementation of, results of the major international conferences in the economic, social and related fields. In section II of its agreed conclusions the Council stated that "in line with General Assembly resolution 47/199 the resident coordinator, in consultation with the Government and in the light of national priorities, could utilize thematic groups composed of the agencies concerned, with a designated lead agency or task manager under his or her overall leadership, to serve as the coordination mechanism with the responsibility of developing integrated approaches for the realization of common goals, including, where appropriate, the development of a common data system at the national level to facilitate reviewing and reporting on the progress achieved".

34. The United Nations provides support to national programmes, including supporting governmental efforts to mobilize the required resources from a variety of donors. A delicate balance exists, in the context of operational activities, between advocacy of internationally agreed targets and respect of the prerogative of each country to establish its goals and priorities. The time-tested comparative advantages of operational activities - flexibility, neutrality and national prerogative to choose the areas of United Nations system support - need to be recalled.

35. Under the leadership of the resident coordinator, thematic teams are being organized with designated lead agencies and task managers. They help to develop and implement common approaches in accordance with national priorities, taking into account the country strategy note where it exists and the framework designated by Government where it does not. Follow-up will be more effective if the common approaches and programmes agreed for the country in these areas are reflected systematically in the policy framework papers agreed with the World Bank and the letter of intent agreed with the IMF. The resident coordinator system at the country level will set up a common data system to facilitate monitoring of progress in these areas.

Recommendation 5

36. Recipient countries should be encouraged to establish or strengthen the appropriate forums and mechanisms that facilitate and guide the policy dialogue among the different partners in the development process in consultation with the local representatives of the donor community. The United Nations system should be ready to support this process as requested by Governments. It should equip and staff itself accordingly.

3. Resources

37. The funding of operational activities is the subject of consultations as provided for in General Assembly resolution 48/162, annex I. In support of these consultations, the Secretary-General has submitted two reports (A/48/940 and A/49/834) containing options to improve the current funding system. This subject was also dealt with in the Secretary-General's recommendations on an agenda for development (A/49/665). Addendum 1 to the present document provides the most recent data on resources of the funds and programmes of the United

Nations and addendum 2 provides detailed income and expenditure figures up to 1993.

38. These reports illustrate that, while demand for operational activities of the United Nations system has expanded, programmable, central resources have declined. Significant increases in non-core, supplementary and emergency resources have altered the composition of resources. Volatility in contributions and the stagnation in resources, and in some cases actual reductions, are having serious consequences.

39. The review confirms that more predictable funding would promote the efficiency and the impact of operational activities. Proposals have already been made for a "mixed" system, which would include assessed dues, negotiated pledges and voluntary contributions. Since sufficient grant resources have not been forthcoming on a voluntary, predictable and assured basis to support operational activities at the level required, consideration needs to be given to a funding system which would place operational activities on a more viable basis.

Recommendation 6

40. The negotiations on a new, improved funding system should be re-energized by all parties to achieve a better system which ensures "mechanisms for all participating countries to demonstrate their responsibility and commitment to the programmes and funds" (General Assembly resolution 48/162, annex I, para. 32).

Recommendation 7

41. The triennial review process should be linked with the consultations on a new funding system carried out within the framework provided under General Assembly resolution 48/162, annex I, paragraphs 31-34. The consultations should lead to an improved funding system that would ensure predictable resources. Further consideration should be given to the options presented in the Secretary-General's reports cited above.

4. Resident coordinator system

42. The resident coordinator system has been assigned a central role in enhancing the United Nations system coordination at the country level and in integrating it into the national development process. General Assembly resolution 47/199 has elaborated the functions of the resident coordinator system and there has been a system-wide effort to put it into effect.

43. As part of this effort, the Secretary-General, in July 1994, in addition to requesting the Administrator of UNDP to assist him in ensuring policy coherence and enhancing coordination within the United Nations in the economic, social and related fields, entrusted the Administrator with overall responsibility for assisting him in improving the coordination of operational activities for development, including the strengthening of the resident coordinator system; subsequently, a series of steps were taken to implement this decision. Recently

the UNDP Executive Board approved the use of 1.7 per cent of UNDP's resources to support the resident coordinator function.

44. At the country level, the Government, as part of the management of its own development, has the primary responsibility for coordinating all types of external assistance on the basis of national priorities and strategies. The resident coordinator system seeks to facilitate and support the exercise by Government of this coordination responsibility. The support given by the resident coordinator is more effective where the Government has clearly articulated its policies and programmes and defined the role it expects of the resident coordinator system in support of its national objectives.

45. In his recommendations the Secretary-General has been guided by the following approach to how the current system could operate at the country level: (i) the country team would be endowed with as many technical capacities as resources permit; (ii) its composition would reflect the needs that the country has defined and which the Government and the United Nations system have mutually decided to be the most pertinent; (iii) the United Nations system representatives would work as a team stressing collaboration rather than control with due respect for different mandates and the advocacy responsibility associated with them; (iv) the team would keep in view these mandates in pursuing government priorities and supporting the Government in solving the development problems of the society; (v) the team would support the Government's efforts to implement its programmes and its task of coordinating other external inputs into its programmes; and (vi) they would also help support nationally led monitoring and evaluation of national development programmes.

46. Important cooperative initiatives have been launched by the United Nations system in many countries. In some countries, resident coordinators were called upon to provide substantive leadership in cross-cutting issues such as human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) or follow-up to the United Nations Conference on Environment and Development (UNCED). In others they have been asked to play important roles in post-conflict peace-building and in meeting humanitarian crises in several countries.

47. While there has been a great deal of focus on the resident coordinators and the need for them to have an appropriate mix of skills, there has been less consideration of the resident coordinator system and the requirements needed to make it work effectively particularly in substantive programme areas.

48. The use of workshop training techniques in team-building at the International Training Centre of the ILO at Turin, Italy, has generated improved cooperation at the country level, and these techniques should continue to be used. Furthermore, the training course for resident coordinators initiated in September 1994 should be expanded and become an integral part of the assignment of new resident coordinators.

49. As regards a unified approach in accordance with paragraph 49 of General Assembly resolution 47/199, the experience with the new offices that have been established is still too fresh for a full assessment of their impact and effectiveness but the limited data available from the country missions do

suggest that the United Nations development system is more effective the more integrated its presence is.

50. The resident coordinator system should be seen to function as the extension of the United Nations system operational activities at the country level with the resident coordinator serving as the team leader. Given their increasing responsibilities in coordinating the operational activities of the United Nations system, the priorities to which a resident coordinator should devote his/her time will be clearly delineated in each country based on national priorities and the programmes and strategies for which the United Nations system has a mandate and a capability.

51. The resident coordinator system function will be reinforced by appropriate administrative and financial decentralization of all United Nations system activities to enhance efficiency, ensure output and results and strengthen substantive accountability.

52. Arrangements will be made to ensure that all representatives of the United Nations system at the country level are more active and fuller participants in the resident coordinator system. Moreover, ACC has agreed in its statement on the role and functioning of the resident coordinator system on a series of steps to deal with organizations of the system without field representation. Both the resident coordinator and agency representatives will be held accountable by their respective organizations for the effective and coherent functioning of the system at the country level.

53. The United Nations system will strive to utilize more effectively and efficiently available resources in support of operational activities for development. The United Nations system will use the new information technologies to enhance the efficiency of internal operations and management in support of operational activities as well as to improve the effectiveness of coordination within the system as a whole.

54. Steps will also be taken to ensure that the resident coordinator system at the country level will be endowed with the information technologies, staffing and access to the analytical capacity of the United Nations development system in order to facilitate efficient and up-to-date access to all the services and capacities of the United Nations system.

Recommendation 8

55. Given the growing responsibilities of the resident coordinator, it is important that, in addition to the resources provided by the UNDP Executive Board, the resident coordinator system should have supplementary resources, either financial or in kind, drawn from the entire United Nations system to support system efforts.

Recommendation 9

56. In accordance with paragraph 39 (g) of General Assembly resolution 47/199, the responsibility and authority of the resident coordinator should be enhanced for the planning and coordination of programmes and to allow him or her to

propose, in full consultation with the Government, to the heads of the funds, programmes and specialized agencies, the amendment of country programmes and major projects and programmes, where required, to bring them into line with the country strategy note.

Recommendation 10

57. The United Nations system country team should be requested to organize a single review committee for the purpose of reviewing substantive activities prior to their approval by individual organizations and for considering the results and lessons learned from any periodic reviews or evaluations and feeding them back into operations.

5. Country strategy note

58. The country strategy note is a major step towards achieving conceptual and operational coherence at the country level. As established in General Assembly resolution 47/199, it is designed to harmonize and integrate the United Nations system activities at the country level into national priorities and to provide a basis for their monitoring and evaluation.

59. The progress achieved in the extent of its use has been uneven, reflecting its optional nature and varying perceptions of its utility relative to existing processes and national mechanisms. The experience gained so far suggests that the success of the country strategy note depends on the interest and involvement of national authorities.

60. The review found that the United Nations system welcomes the formulation of the country strategy note as a strategic tool to harmonize national priorities with the United Nations system's comparative advantage.

61. The analysis of the country strategy note process in countries where the country strategy note is under implementation shows that the process requires a period of preparation to ensure broad and effective participation. The drafting of the country strategy note can be complex and time-consuming, but the consultative process both with the Government and within the country team has proved to have intrinsic value. Experience shows that a number of conditions have been crucial for its effective progress:

(a) Full participation and leadership of the Government;

(b) Effective information sharing;

(c) Adequate support to country teams from the United Nations system;

(d) Full participation of the United Nations system and its organizations (including those not represented in the country).

Recommendation 11

62. Each Government should continue to decide whether to proceed with the country strategy note in consultation with the resident coordinator system, and on the form as well as on the process to be established for its formulation. All concerned United Nations system organizations should provide in-kind and/or financial support, as required, to the common initiatives promoted to assist the Government in formulating and monitoring the country strategy note, including training activities and background analysis.

Recommendation 12

63. The country strategy note should be the common country framework for country programmes of United Nations system organizations and the key framework for both the Government and the United Nations system organizations in programming, monitoring and evaluating United Nations system operational activities for development in the country. The document should outline the contribution that the United Nations system can make to responding to the requirements included therein, including an indication of the level of resources needed. Broad, well-defined, monitorable targets should be a part of the country strategy note. Monitoring and evaluation of the impact of operational activities should be a standard part of the follow-up of the country strategy note process.

Recommendation 13

64. Governments should consider using the country strategy note as a basic input to the Consultative Group and Round Table processes. Governments should also consider the country strategy note as a tool for resource mobilization, with the support of the resident coordinator system, to achieve national priorities that are receiving United Nations system support.

Recommendation 14

65. The Bretton Woods institutions should be encouraged to be actively involved in the formulation of the country strategy note if the Government so decides. Clear links between the country strategy note process and the planning and programming processes and instruments adopted by those institutions should be established.

6. Programme approach

66. Significant progress has been made by the system in implementing the programme approach. Given the diversity of mandates and the variety of country-level activities, operational interpretations of the approach and of the guidelines vary. There is a need to analyse the experience gained to date and to feed it back into operations, improving guidelines continuously in the light of best existing practices.

67. Resolution 47/199 envisages that where Governments do not have programmes the United Nations system should help to formulate them. Accordingly, in

certain cases, the United Nations system has proceeded to support the formulation of such programmes. In some instances the United Nations system has prepared programmes but these have not necessarily been fully transformed into specific elements or inputs into coherent national programmes, owned and managed by Governments as contemplated in the programme approach. The programme approach remains an important element, none the less, in better integrating United Nations system efforts with national priorities and plans.

68. Smaller specialized agencies have pointed out that the programme approach tends to focus on broad thematic issues while they are more concerned with highly focused subsectoral issues and that operational activities should remain flexible to meet requirements in these specific technical areas.

69. The programme approach is not an end in itself. It is a tool designed to integrate operational activities more effectively into national efforts. As such, given the diversity of countries' development needs and circumstances, there will remain occasions when a project may be the appropriate vehicle for United Nations system support.

Recommendation 15

70. The United Nations system organizations should continue to play a strong role in helping countries, at their request, to prepare coherent national programmes, to implement them and to monitor and evaluate them. Care should continue to be devoted to seeing that United Nations system substantive and technical inputs are fully integrated into such national programmes and that the United Nations system, as appropriate, assists the Government in mobilizing resources from a variety of sources in support of these programmes.

7. National execution

71. National execution has proved to be a valuable and cost-effective modality involving national management, the creation of self-reliant capacity and the close integration of the United Nations system's development cooperation into national activities. Its use as an executing modality has significantly increased since the last triennial comprehensive policy review of operational activities, most noticeably in UNDP-assisted programmes and projects. Owing to the nature of their operations the other JCGP agencies already employ national execution extensively.

72. The operational activities financed through other sources such as multi-funding and funds-in-trust arrangements and carried out by United Nations specialized agencies continue to be agency executed in conformity with the wishes of the funding source concerned and to reflect the substantive accountability requirements of the donor.

73. The shift to national execution in UNDP-supported projects has reduced the executing role of some United Nations system organizations, particularly those without field presence. The involvement of some United Nations specialized agencies as implementing or cooperating agencies in national execution projects providing technical support has not developed as expected. National execution

is still largely Government execution and the use of non-State organizations as executing agencies is limited.

74. Although national execution is accepted as the preferred modality and is widely adopted, the extent of its application in individual countries is not a simple function of the national capacity for execution and is a reflection of a range of factors. Administrative burdens placed on countries, particularly reporting requirements, continue to constitute an obstacle. Reporting requirements should be simplified and brought into line with national financial management and audit systems as long as internationally accepted standards of accountability are observed. None the less, there is general agreement that it is effective and responsive to national needs and resources, and there is increasing evidence through evaluation to substantiate this conclusion.

Recommendation 16

75. The expansion of national execution should be continued on a situation-specific basis. Mechanisms currently in place to finance and ensure more effective and systematic support by the United Nations specialized agencies to UNDP-funded projects should be strengthened. Special attention needs to be paid to accountability issues. Reporting requirements should be simplified and brought into line with national systems.

8. Harmonization and simplification of rules and procedures

76. General Assembly resolution 47/199 emphasized the need for harmonization and simplification of the rules, procedures and formats of the United Nations system organizations so as to reduce the burden on Governments and to enhance the effectiveness of operational activities. Progress has been made in the harmonization of the programme cycles of JCGP organizations with those of national plans. The United Nations system organizations have initiated several measures, both at their headquarters as well as in the field, to simplify their procedures and to decentralize and delegate greater powers and authority to the field.

77. The degree of harmonization still remains a problem. Little progress was made in the preparation of a system-wide common manual as requested in paragraph 33 of General Assembly resolution 47/199. In view of the fact that the diversity of rules and procedures continues to pose a problem both for recipient countries and for the full and effective United Nations system cooperation at the programme and project level, much greater priority must be accorded to this matter than hitherto.

78. Some progress has been made in delegating greater authority to field representatives. The degree of this delegation has not been harmonized and wide discrepancies and disparities exist within the United Nations system. Additionally, the heterogeneity of rules, procedures and formats is retarding progress on important issues, such as coordination and the programme approach. It also places an unnecessary burden on Governments.

Recommendation 17

79. The United Nations system organizations should intensify their efforts to simplify, streamline and harmonize their rules and procedures, particularly those that have a bearing on their programming processes and delivery systems. An important criterion in deciding which procedures to simplify first should be the burden they place on recipient countries.

Recommendation 18

80. A time-bound targeted programme of simplification and harmonization should be submitted to ECOSOC in 1996 and the system should submit a progress report to ECOSOC on this issue in 1997. This programme should include the specific elements of a system-wide common manual and the schedule for completing it. The views of key staff and officials at the country level should be obtained in this process. The introduction of the manual and agreed common interpretations of key operational concepts should be undertaken in conjunction with joint training programmes and workshops.

9. Staffing at the country level

81. Paragraph 38 (b) of General Assembly resolution 47/199 specifically stated: "The United Nations system at the country level should be tailored, taking into account the views of the recipient Government, to the specific developmental needs of the country in such a way that they correspond to the ongoing and projected programmes rather than to the institutional structure of the United Nations". Steps still need to be taken to give effect to this provision of the resolution.

82. The representation, structure and capacities of the organizations of the United Nations system at the country level are determined autonomously by the governing bodies and headquarters of the concerned organizations without communication between organizations based on a system-wide review of expected programme requirements. The overall capacity of the United Nations system at the country level to provide substantive services to the country is not assessed at present.

83. As a result the United Nations system presence and profile in the field are not always sufficiently focused to meet the specific technical, technological and managerial needs of a country, particularly in view of the emergence of new demands, new dimensions and integrated development. Some country teams seem insufficiently equipped with staff and resources to respond to the specific context and contemporary needs in a speedy and effective manner.

84. In the interest of fostering a strengthened team approach and ensuring the appropriate balance of technical skills required to address the needs of the country, it is important that a process of consultations on the composition of the United Nations system country team be initiated. This requirement will be actively pursued at the inter-agency level with a view to the dovetailing of agencies' technical capacities and "skills-sharing".

10. Regional coordination

85. The capacities of the regional commissions and the smaller technical agencies can be used particularly effectively to address issues of an intercountry and regional character. Their capacities should be used, in particular with the involvement of other relevant organizations of the system, to address the regional dimension of development problems as an integral part of the country strategy note process.

Recommendation 19

86. Bearing in mind recommendation 12, regional and intercountry dimensions should be considered during the country strategy note process.

Recommendation 20

87. There should be a regional strategy note to serve as a framework for regional cooperation. A regional strategy note can also be seen as one means of linking national processes, regional obligations and global priorities. The regional commissions should be invited to consider the preparation of a regional strategy note in consultation with other relevant bodies. Where required, substantive support should be provided, including through subregional workshops, to facilitate the preparation of the regional strategy note. Resident coordinators in the countries concerned should support such regional initiatives.

11. Capacity-building

88. There is continuing confirmation that the efficiency, effectiveness and impact of development cooperation and operational activities are a function of the capacity of a country to manage the development process effectively and integrate external development assistance into the national context. The United Nations system continues its traditional role of helping to construct or strengthen key national institutions. This includes helping countries to strengthen their capacities for aid coordination and the managerial capabilities of the coordinating ministries or similar organizations as a contribution to better development management.

89. Support for capacity-building is now undertaken mainly by individual organizations in their respective fields of competence, focusing primarily on their domestic counterparts and strengthening both public administration and civil society. Many parts of the United Nations system are now involved in capacity-building at the community level, promoting broad participation in development activities.

90. Capacity-building is a major factor both in the follow-up of global conferences and in the achievement of national requirements, and there is a consensus that operational activities should address it as a cross-cutting issue. The essential lessons of the different United Nations system organizations should be collected and synthesized as a contribution to fostering

the understanding of capacity-building as a discipline within the United Nations system.

Recommendation 21

91. Capacity-building in priority areas should continue to be an essential part of the operational activities of the United Nations system at the country level. A more systematic and sustainable process should be launched, tailored to each country's strengths and weaknesses, to help integrate the different dimensions of development and design and manage complex programmes and projects.

Recommendation 22

92. Where the Government so desires, the United Nations system should be ready to engage in building and strengthening the capacities of the constituencies of civil society and national non-governmental organizations which are involved in key development activities.

12. Evaluation, monitoring and review

93. There have been external evaluations of five agencies during the last three years: the International Fund for Agricultural Development, the United Nations Conference on Trade and Development, the United Nations Children's Fund, the United Nations Population Fund and the World Food Programme. They contain a variety of substantive and managerial conclusions and recommendations. There have been no global evaluations of operational activities carried out by the system as a whole. However, some initiatives have been undertaken at the country level including, in one case, a review of operational activities in which the Government included the programmes of the World Bank.

94. An evaluation of the impact of selected major components of operational activities will be an integral part of the next triennial policy review. The various parts of the United Nations system will consult on its scope and methodology and establish, as soon as possible, the essential baseline data needed and the mechanisms to collect the data, so as to permit successful completion of the evaluation. Greater use will be made by the United Nations system, as appropriate, of joint evaluations to assess results and impact.

Recommendation 23

95. Periodic evaluations of the impact of operational activities should be organized and should normally be nationally led processes. Organizations of the United Nations system operating at the country level should endeavour to ensure that the periodic programme reviews and evaluation they conduct are timed and organized in a coordinated fashion. Where necessary, the United Nations system should be ready to support the development of national evaluation capacities and to support nationally led evaluations of specific programme or cross-cutting thematic areas. The lessons learned should be systematically fed back into the programming processes at the appropriate level.

13. The Bretton Woods institutions

96. Cooperation between the Bretton Woods institutions and other organizations of the United Nations system in the area of development cooperation has been given special attention in the recent period at both the inter-agency and intergovernmental level, including in the context of the discussions on an agenda for development.

97. While the importance of closer collaboration between the Bretton Woods institutions, particularly the World Bank, and other organizations of the United Nations system is generally appreciated, some countries have cautioned that programme cooperation between the Bretton Woods institutions and other organizations of the United Nations system should not lead to "new conditionalities" and make the United Nations system grant resources more vulnerable to the restrictive policies normally attached to loans. Other countries consider that efforts to enhance complementarity between the programmes and resources of the World Bank and the rest of the United Nations system should be given high priority. In some countries the relationship between United Nations programmes and other agencies and the Bretton Woods institutions is already very close and includes complementary and mutually supportive roles in critical areas like capacity-building and poverty elimination.

98. Many countries indicated that they favour closer links between the United Nations system's technical cooperation and the Bretton Woods institutions' technical assistance, particularly for free-standing technical assistance unrelated to specific capital investment projects. The Bretton Woods institutions have indicated that they are prepared to cooperate with the United Nations system in the preparation of the country strategy note.

Recommendation 24

99. A more focused policy dialogue encompassing the system as a whole should be promoted at the Headquarters level. This dialogue could be pursued within the framework of ECOSOC, within the governing bodies of the Bretton Woods institutions, between the Bretton Woods institutions and other organizations of the United Nations system and within the ACC.

Recommendation 25

100. In consultation and agreement with Governments, efforts by the resident coordinator system to promote harmonization between the country strategy note and the World Bank's policy framework paper and the IMF's letter of intent should be encouraged. The operational conclusions of all three instruments should contribute to the improved dialogue on policy and substantive issues at country level proposed in paragraph 36.

Recommendation 26

101. Collaboration with the Bretton Woods institutions in programming, monitoring and evaluation should be actively sought at the country level.

14. Strengthened national coordination

102. Efforts at improving coordination and cooperation among organizations of the United Nations system in the area of operational activities for development are mostly pursued at the country level or at the level of central intergovernmental bodies, particularly the General Assembly and the Economic and Social Council. Little attention has been paid to the objective of ensuring consistency in decision-making on related issues at the level of the governing bodies of the specialized agencies. There is growing evidence to support the view that efforts to promote coordinated approaches by secretariats, whether at headquarters or in the field, would be enhanced if Governments took more consistent positions on similar or related issues in the various governing bodies of the United Nations system.

Recommendation 27

103. Governments should be invited to review their internal coordination processes in order to ensure consistent and compatible decision-making at all levels throughout the United Nations system. Secretariats of organizations should be invited to support this endeavour by systematically drawing the attention of their governing bodies to decisions under consideration which are at variance with decisions on related subjects taken at the central intergovernmental level.

15. Common premises and shared services

104. Some agencies have pointed out that they currently benefit from rent-free accommodation in their host countries, often in the premises of the concerned ministry. They argue that common premises could thus lead to additional expenses for them, regardless of potential savings elsewhere. However, the experience with premises and services shared by parts of the system suggests a considerable potential for savings.

Recommendation 28

105. Building on previous resolutions the General Assembly might recommend that United Nations system organizations should normally be housed in common premises at the country level, wherever economically feasible. It might further recommend that every effort should be made to institute shared services in the field.

Annex

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A. Introduction

1. The present annex contains the results of a comprehensive analysis of the implementation of General Assembly resolution 47/199. It is an updated version of the interim report (E/1995/98, annex) which was considered by the Economic and Social Council at its substantive session of 1995.

2. A particular concern in preparing this annex was to use a methodology which would lead to an objective, factual and accurate picture of the implementation of General Assembly resolution 47/199. To ensure that coverage was as broad as possible and to have views from all the principal partners, heavy reliance was placed on the mailed questionnaire method. On the basis of the provisions of resolution 47/199, four questionnaires were prepared, in consultation with the organizations of the United Nations system, targeted at, respectively, recipient countries, major donor countries, the resident coordinator system at the country level and the organizations of the United Nations system at their headquarters.

3. The annex is based on 109 responses from the resident coordinator system (stress was placed on ensuring that the responses were prepared in consultation with United Nations system field representatives), 24 responses from recipient countries, 8 responses from major donor countries, and 26 responses from organizations of the United Nations system. In addition, country review missions were carried out in 14 countries. All organizations of the United Nations system were invited to participate in these review missions. In addition to the United Nations, various missions were composed of representatives from the United Nations Development Programme (UNDP), the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization, and the United Nations Industrial Development Organization (UNIDO).

B. Changing trends in operational activities for development

Reach and range of operational activities

4. In the past five years, the United Nations system operational activities have extended their geographical reach to include the Commonwealth of Independent States and Central Europe. UNDP, for example, now operates in 170 countries and territories with over 130 offices. The functional ambit of operational activities has widened in response to requests by recipient countries, involving in addition to the transitional concerns of operational activities, greater support in national reconstruction, the continuum of relief and development, public administration reform, disaster management, drug control, human rights and support for institutional reforms. The changing reach and range of operational activities is a reflection of the changing demands of recipient countries.

New directions and new demands: a changing portfolio

5. Increasingly, developing countries are shifting their demands for United Nations system help from technical assistance for isolated projects towards programme modalities that emphasize United Nations system support for national goals and strategies, around which the United Nations system inputs are mobilized in a flexible manner. The new demands also bring together policy-making, normative analysis and technical cooperation. They require both capital and technical cooperation and blur the borders between economic, social and environmental factors.

Recent shifts in operational activities

6. Many United Nations system organizations and resident coordinators indicated that there are more requests for upstream policy advice, strengthening the utilization of human resources, facilitating access to foreign skills and technology, help in the design and implementation of programmes, and projects in areas identified jointly with the Governments. Demands for upstream interventions in such areas as governance, public sector reform, the electoral process, management/coordination of external cooperation, strengthening key development institutions, and support in emergency/relief situations have shown a marked increase.

7. The United Nations system continues to play an important role in many traditional areas of operational activities in several countries: nearly all developing countries cited technical and technological assistance, social development, poverty alleviation, health and education, and the improvement of human resources as continuing priorities for the United Nations system. The United Nations system is asked to provide support in a wide range of new areas as well. Developing countries increasingly emphasize infrastructure development, reinforcement of national capacities for research and development, environmental regeneration and sustainable development, and capacity-building to increase competitiveness in the global economic environment. In addition, Latin American countries in particular see the United Nations as playing an active role in governance, national reconstruction, modernization of the State and the strengthening of State services.

8. The resident coordinators' assessments of future operational activity needs are similar to those of the recipient countries. Nearly two thirds of the responses of resident coordinators singled out public administration reform and governance issues. This covers requests for the establishment of institutional capacity within the public sector, decentralization of public administration, legal reforms and judiciary reforms. Forty per cent of the resident coordinators, on the other hand, also cited an emerging demand for support in areas of social development including human resource development, protection of initiatives of vulnerable groups, poverty alleviation, development of social services and HIV/AIDS. Lastly, almost as many resident coordinators cited human rights protection, including police training and assistance in legislative development, as new areas for operational activities.

9. Increasingly, the United Nations system is being asked to help Governments solve major problems that go far beyond the financial resources that it can make

available. For operational activities the gap between aspiration and reality is large and widening. This leads, on the one hand, to calls from those Member States which finance operational activities, for a process of prioritization and, on the other hand, to calls from those who need and benefit directly from operational activities, for additional resources and continued flexibility in resource allocation so as to maintain the system's responsiveness to national priorities.

10. Few of the new tasks the United Nations system has been asked to address are exclusively "sectoral" in nature, and as such they are beyond the capacities of any one part of the system. So the new tasks tend to demand continued progress towards greater coherence, at least at the country level.

11. Resident coordinators indicated that, although technical cooperation is still the most important component of operational activities, it has shown a relative decline from 56 per cent in 1990 to 53 per cent in 1993-1994. The current percentages of technical cooperation as part of total operational activities in each region are: Latin America, over 70 per cent; Africa, 40 per cent; Asia and Eastern Europe, 58 per cent and 53 per cent, respectively.

12. Based on the analysis of information provided by the resident coordinators, table 1 indicates the expected trends in operational activities.

13. Resident coordinators have also given their assessment of the principal current problems that would continue to require United Nations system support. The relevant data are summarized in table 2.

Table 1. Trends in the main purposes of operational activities for development

(Percentage of resident coordinators that have indicated expectations for the specific trend)

Main purpose of operational activities	Likely to increase	Likely to stay constant	Likely to decrease
Provision of upstream technical and policy advice	73.3	24.8	1.9
Catalytic role in mobilizing resources for development cooperation	78.1	16.2	5.7
Provision of emergency food and other relief assistance	14.3	43.9	41.8
Strengthen key political institutions	55.3	40.8	3.9
Strengthen key economic and social institutions	77.4	22.6	0.0
Strengthen and utilize national human resources	75.2	22.9	1.9
Provide direct and budgetary support for national programmes	24.8	33.7	41.6
Facilitate access to foreign skills and services	33.7	50.0	16.3
Facilitate access to technology	50.5	45.6	3.9
Strengthen development programming and management practices	77.4	17.4	4.7
Design and implement programmes and projects in areas identified jointly with the Government	66.3	29.8	3.8
Provide analytical and assessed information (statistical data, research, etc.)	64.4	31.7	3.8

Table 2. Principal current problems that require United Nations system support

(Number of countries for which the corresponding type of problem is relevant)

Type of problems	Africa	Asia	Latin America	Eastern Europe	Other region	LDCs	Non-LDCs	Total
Limited productive capacity and need for economic reforms	25	22	9	7	1	20	44	64
Poverty and social development needs	36	31	19	5	2	30	63	93
Environmental degradation	9	14	8	2	0	8	25	33
Inadequate institutional capacity	31	18	14	5	1	26	43	69
Support for national reconciliation processes	8	7	5	3	0	11	12	23
Other	0	1	3	0	0	0	4	4
Total number of countries in each region	45	34	20	8	2	37	72	109

Least developed countries

14. A significant part of the operational activities are oriented towards the least developed countries in accordance with the criteria established by various intergovernmental bodies. Thus, for example, 55 per cent of the programmable resources of UNDP were oriented to this category of countries in Governing Council decision 90/34. The requirements of the least developed countries received special attention in the analysis of the data; all data were thus grouped into least developed countries and non-least developed countries as indicated throughout the report in the appropriate sections.

Economies in transition

15. The economies in transition have emerged as new recipients of external assistance. For these countries, the key areas for United Nations system support are technical cooperation and policy advice for systemic reforms, the promotion of economic and human development, the protection of the environment, as well as the growth of the energy sector. These requests necessitated new approaches suited to their particular development contexts. In some countries, the United Nations system has played a more central role mainly in the broader systemic transformation (democracy, governance, human rights, electoral process). In others, United Nations system support is requested in all areas

directly related to economic and social development. Over 62 per cent of the resident coordinators in Eastern Europe (more than in other regions) identified issues in public administration and human rights as areas for United Nations system support; 12.5 per cent identified economic reforms; and 25 per cent chose support to the electoral process.

Humanitarian aid

16. Complex emergencies are part of the challenges of development cooperation. According to data from the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), emergency assistance and disaster relief, which consumed less than 3 per cent (US$ 300 million) of bilateral aid in the 1980s, consumed 8 per cent (US$ 3.2 billion) in 1993. According to the resident coordinators, emergency assistance increased from 20 per cent in 1990 to 25 per cent in 1994 in terms of expenditure in operational activities, the main increase occurring in Africa. Developing countries reported that the United Nations system provided assistance in designing and setting in motion national systems for monitoring and preventing disasters; workshops and seminars on management of natural disasters held under the auspices of the United Nations system have also been useful. Some noted that the United Nations system contributed to the creation of national capacities to integrate relief, rehabilitation, reconstruction and development and the utilization of external aid in this field.

Relationship with the Bretton Woods institutions

17. An important development is the trend towards enhancing the cooperation between the Bretton Woods institutions and other organizations of the United Nations system, in particular, in the areas of social development, environment and poverty elimination. The operational activities of the World Bank are now more focused on poverty elimination and increasing lending to the social sectors. UNDP and the International Monetary Fund (IMF) cooperate in the area of capacity-building.

18. The World Bank involvement in technical cooperation activities has steadily increased over the years and, in 1993, amounted to a total of US$ 3.1 billion, of which free-standing loans constituted US$ 646 million, rising from US$ 22 million in 1989. Technical assistance financed through the administrative budget rose from US$ 47 million to US$ 66 million in 1993. As an executing agency of UNDP, World Bank supported technical assistance increased from US$ 56 million in 1989 to US$ 64 million in 1993.

19. The importance of closer cooperation between the Bretton Woods institutions, particularly the World Bank, and the rest of the United Nations system has been emphasized by both developed and developing countries. According to developed countries, the key to this cooperation is complementarity, with the United Nations system providing, through technical cooperation, added value to the major resource flows available from international financial institutions. The better developed and more experienced field presence of the United Nations system could provide valuable help to the international financial institutions in the planning and implementation of their programmes.

20. The views of developing countries are more mixed. While all countries desire and encourage greater cooperation, some countries are more sceptical than others about the programme cooperation between the United Nations system and the Bretton Woods institutions and are concerned that it might lead to new conditionalities and make the United Nations system grant resources more vulnerable to the restrictive policies normally attached to loans. Other countries are in favour of closer cooperation between the programmes and resources of the World Bank and the United Nations system. They see them as complementary and mutually beneficial. In some countries the relationship between the United Nations system and the Bretton Woods institutions is close and includes complementary roles in such critical areas as capacity-building and poverty elimination.

21. Some Governments have suggested establishing closer linkages between technical cooperation and financial assistance by setting up a modality whereby the United Nations system can become involved in the technical cooperation needs of infrastructure projects. They also believe that closer cooperation between representatives of the Bretton Woods institutions and the resident coordinators could lead to a more multidisciplinary approach to development issues. In their responses, 9 of 15 developing countries indicated that there is a need for greater integration of United Nations system technical cooperation and World Bank technical assistance, particularly for free-standing technical assistance unrelated to specific capital investment projects. With regard to the need for more substantive cooperation between the Bretton Woods institutions and the United Nations system, one country considered it to be essential, seven considered it to be useful and five to be of marginal utility.

22. Over 60 per cent of the resident coordinators emphasized the need to make fuller use of inputs of the United Nations system in the activities of the Bretton Woods institutions and of the activities of these institutions in programming operational activities. Sixty-two per cent of the resident coordinators indicated that there should be closer consultation between the Bretton Woods institutions and the United Nations system at the country level; 50 per cent were in favour of joint assessments and evaluation missions; 54 per cent favoured joint meetings with Governments; and 43 per cent supported formal memoranda of understanding between the organizations.

23. The World Bank has indicated that it is prepared to cooperate with the United Nations system in the preparation of the country strategy note. According to the replies received from the resident coordinator system, close to 60 per cent identified close cooperation on the country strategy note and policy framework paper: 77 per cent from Africa, 47 per cent from Asia, 55 per cent from Latin America and 25 per cent from Eastern Europe.

24. An issue raised by some United Nations system organizations is how best to utilize their technical expertise in World Bank-assisted technical assistance. In this regard, 26 per cent of the resident coordinators considered interfacing between the Bretton Woods institutions and the resident coordinators as "significant" in technical cooperation, as compared to 58 per cent who considered it as "of some significance" and 14 per cent as "of little significance".

Table 3. Interface between the resident coordinator system and the Bretton Woods institutions

(Number of countries for which the resident coordinators expressed its significance and percentage of frequency)

Interface areas	Relevance		
	High	Medium	Low
Policy advice (public administration)	24 (25.8%)	39 (41.9%)	30 (32.3%)
Policy advice (economic and social issues)	37 (38.9%)	39 (41.1%)	19 (20%)
External assistance coordination	33 (34.4%)	43 (44.8%)	20 (20.8%)
Programme and project formulation	14 (14.6%)	51 (53.1%)	31 (32.3%)
Resource mobilization	14 (15.9%)	34 (38.6%)	40 (45.5%)
Security issues	34 (42%)	18 (22.2%)	29 (35.8%)
Emergency relief and humanitarian assistance	5 (6.8%)	19 (25.7%)	50 (67.6%)
Technical cooperation	26 (28%)	54 (58.1%)	13 (14%)
Programme and project implementation (including disbursement issues)	15 (17.2%)	39 (44.8%)	33 (37.9%)

Impact of adjustment programmes

25. Many recipient countries are undergoing some type of structural adjustment and this has influenced the role of operational activities. There is growing recognition of the need to consider the distribution impact of these programmes and draw attention to their negative effects. Thus, over 80 per cent of resident coordinators indicate that the countries in which they serve have undertaken an integrated set of policy reforms. Of these responses, 51 per cent consider that the global orientations of operational activities have been significantly influenced by structural adjustment policies and similar reforms. In terms of their impact, 62 per cent of resident coordinators consider that operational activities are complementary to adjustment programmes, whereas 58 per cent view them as mitigating and alleviating the spin-off from these

policies and programmes. Some United Nations system agencies have indicated that they formulate specific programmes at the request of Governments to offset some effects of structural adjustment and other similar reforms. Yet, as discussed in the previous paragraphs, the vast majority of recipient countries feel that the United Nations system has been "informed of" but not "involved in" the preparation, coordination and implementation of structural assistance schemes.

Upstream role

26. Some Governments, particularly in Latin America, Africa and Eastern Europe, are seeking support from the United Nations system on upstream matters. This trend appears to be influenced by a recognition of the interconnection of policies and programmes of assistance and the realization that a good policy framework is indispensable to the delivery of good projects. There is now a closer intersection of policies, normative analysis and technical cooperation, issues which were earlier considered as distinct. Countries are seeking United Nations system support to enable them to participate more actively in the global economic process, as well as to address their specific economic and social problems. Some of these countries face a plethora of problems arising from systemic transformation. They look to the United Nations system as a multilateral, neutral partner without an agenda of its own, which can provide policy help suited to their requirements.

27. The United Nations system's contributions in other countries, particularly in Asia and in more industrially advanced countries, is still focused on technical, increasingly technological, cooperation. Those countries perceive the United Nations system as a means to fill strategic needs to accelerate economic growth and to enhance competitiveness in the global market-place.

28. Some global objectives have been translated into national targets and goals by Governments in cooperation with United Nations system support. Developing countries have indicated that they are introducing global targets and plans into their sectoral policies and that concerned United Nations system organizations were helpful in this respect. Some countries and United Nations system representatives have noted that certain plans of action contain similar provisions and their coherent implementation might require greater harmonization and prioritization. Representatives of United Nations agencies in some countries have suggested that coordinated support for the implementation of these plans of action and facilitating their integration into the national context should be the collective responsibility of the resident coordinator system in support of the Government.

Role of science and technology

29. Some developing countries and most United Nations system organizations noted the growing importance of science and technology to development cooperation, particularly transforming technologies such as information technology and new materials. They expressed the view that the full potential of technology as an instrument of sustainable development had not been realized and that the tool of technology could help overcome such chronic problems as poverty, illiteracy and ill health. The resident coordinators have indicated

that a slight increase in demand is expected on facilitating access to technology through the United Nations system; Asia appears to have the highest prospects in this regard, followed by Africa. Some United Nations system agencies, particularly the smaller technical agencies, have noted that the shift towards modalities such as the programme approach and national execution is diminishing opportunities for them to help to build the technological infrastructure which the countries need and which no other external sources are supporting.

Capacity-building

30. There is a growing awareness that efficiency, effectiveness and the impact of development cooperation and operational activities are largely a function of the capacity of a country to manage the development process and integrate development assistance into the national context. The United Nations system operational activities in many countries include a variety of capacity-building programmes and projects, from public sector reform to project implementation.

31. The United Nations system in some countries is helping to construct a functioning Government and a coherent civil society. In some other countries, the United Nations system is engaged in helping countries to strengthen their capacities for aid coordination and strengthening the managerial capabilities of the coordinating ministries or similar organizations. Nearly half of the developing countries called for an even greater emphasis on promoting internal managerial skills and training indigenous counterparts to United Nations experts.

32. In the context of the new demands on operational activities, the capacity for policy connections between the different strands of political, economic, social and environmental factors has become important. The United Nations system's effort at capacity-building is now undertaken mainly by individual organizations in relation to their respective mandates and focused primarily on their domestic counterparts. It includes both strengthening public administration and nurturing the civil society. Many parts of the United Nations system are now involved in capacity-building at the community level, promoting broad participation in development activities.

Resource situation

33. Official development assistance (ODA), which over the past 20 years had remained stable, sharply declined for the first time, from US$ 60.8 billion in 1992 to US$ 55.9 billion in 1993. This trend probably continued in 1994, with serious implications for development cooperation in general and the United Nations development system in particular. Within this context, while, on the one hand, demand for the United Nations system assistance has increased dramatically, programmable funds available for supporting development cooperation activities have shown a decline, particularly for technical cooperation. As reported in the Secretary-General's report on funding of operational activities (A/48/940), core contributions to UNDP over the past 20 years have remained stagnant in real terms. More recently, Governing Council decision 90/34 called for an 8 per cent annual increase in contributions to UNDP core resources for the 1991-1995 period. Although this target was almost

achieved in 1992, the first year of the fifth cycle, resources pledged for the following years have seen drastic cuts, and the shortfall of the 1991-1995 cycle is estimated at US$ 1.4 billion. As a result of the decline, programme allocations for the fifth cycle have had to be reduced by 30 per cent, from US$ 4,163 million to US$ 2,972 million.

34. The shortfall in meeting the "core" targets is accompanied by a clear shift by donor countries towards funding specific thematic areas which are deemed to be consistent with their particular interests. Of total 1994 contributions to UNDP, non-core resources accounted for US$ 763.6 million, as compared with US$ 930.0 million for central funding. It should be noted that cost sharing for 1994 stood at US$ 583.9 million, most of which came from developing countries (for further details see addendum 1).

35. Given the central role of UNDP in extrabudgetary financing, the adverse impact of the fall in its core resources has been system-wide. United Nations system executing agencies traditionally relied upon UNDP as the central funding organization to finance and support technical cooperation (see also General Assembly resolution 44/211, para. 12). This role is being compromised by recent resource trends and shifts to national execution in many countries. The specialized agencies have drawn about 40 per cent of their operational resources from UNDP and UNFPA. United Nations system executing agencies have stated that the decline in UNDP funding, coupled with the increase in national execution, has had a radical effect on their technical cooperation activities, amounting, in some cases, to a reduction of approximately 50 per cent in recent years. They consider that this trend compromises their capacity to contribute to national development. At a time when funding from UNDP has declined, there has been an increase in assessed contributions and extrabudgetary contributions to the operational activities of the specialized agencies from other sources, from US$ 783 million in 1987 to US$ 1,052 million in 1993.

36. Reflecting the ODA decline in 1993, contributions to UNICEF declined from US$ 918.5 million in 1992 to US$ 793.7 million in 1993 but rose to US$ 937.6 million in 1994, of which US$ 535 million were general resources and US$ 471 million were supplementary funds. Similarly, contributions to UNFPA declined from US$ 293.8 million in 1992 to US$ 265.1 million in 1993 but rose to US$ 340.7 million in 1994.

37. The contributions to WFP declined from US$ 1,722.4 million in 1992 to US$ 1,421.1 million in 1993 but rose in 1994 to US$ 1,515.8. However, an important trend in WFP contributions is that the proportion of assistance given for development and emergency activities has inverted. While in 1990, relief activities accounted for US$ 258 million (i.e. 34 per cent of food aid), in 1993 emergency deliveries amounted to US$ 865 million (i.e. 68 per cent).

38. Volatility in contributions has made realistic long-term planning more difficult and reduced effectiveness and impact. For example, during the past five years, while UNFPA income increased, on the average, by 8 per cent per annum, varying from 5.6 per cent to 20.8 per cent, it also absorbed a one-time reduction of 7.8 per cent.

C. Programme development and implementation

1. Country strategy note

Background

39. The concept of a country strategy note (CSN) was established in paragraph 9 of General Assembly resolution 47/199. The main elements of the CSN process are that:

(a) The CSN should be a policy statement which establishes national priorities to be supported by the United Nations system and represents a broad frame of reference for United Nations system operational activities for development;

(b) The CSN should outline the contribution that the United Nations development system can make to respond to the requirements identified by recipient countries in their plans, strategies and priorities;

(c) The CSN should be a Government document prepared with the assistance of and in collaboration with the organizations of the United Nations system;

(d) The resident coordinator system, under the leadership of the resident coordinator, should assist and contribute to the CSN process;

(e) The CSN should be the outcome of a process of consultation and collaboration between the Government and the United Nations system, within the United Nations system, and between the United Nations system and the rest of the international donor community; it should normally cover a period of four to five years;

(f) The specific activities of each funding organization of the United Nations system should be outlined in a specific country programme within the broad framework of the CSN, prepared by the recipient Government with the assistance of the funding organizations;

(g) The CSN should be transmitted to the governing body of each funding organization as a reference for the consideration of its specific country programme.

Guidelines

40. To assist Governments and the resident coordinator system, CCPOQ developed guidelines that were issued in May 1993. In order to operationalize the basic notions and principles and to support the efforts of the countries that had started implementing the CSN, a country strategy workshop was held at Turin, Italy from 11 to 14 October 1993. The workshop involved national officials, resident coordinators and other United Nations system officials drawn from 11 countries. It built on national experience and clarified some practical questions. As a consequence of that workshop, further "guidance elements for the preparation, design and implementation of the CSN" were developed in consultation with the United Nations system and issued to all recipient

countries in March 1994 in English, French and Spanish. These guidance elements clarified the purpose and main characteristics of the CSN, suggested a possible structure or outline of the CSN document and suggested suitable ways to organize the process. Subsequently, at the request of countries and resident coordinators, a number of national workshops were organized.

41. On the basis of the actual use of the United Nations system guidance elements in concrete country operations, and the responses by the resident coordinators to the questionnaire for this review, it appears that the current guidance elements provide adequate assistance to the United Nations system country teams and to Governments for the preparation of the CSN. The combination of detailed operational guidelines, and global and country-level workshops to support their development and application, proved to be an important step in initiating the process in most instances.

Status of the CSNs

42. The status of implementation of the CSN as of May 1995 is shown in tables 4a and 4b. Thus, of the 131 countries for which information is available, 84 Governments (64.1 per cent) have formally indicated their interest in pursuing the CSN. In six countries (4.6 per cent) the Governments have explicitly declared that they do not wish to pursue the CSN process at the present stage. In another 41 countries (31.3 per cent) Governments have not yet made a formal decision.

Table 4a. CSN: summary of status

Country typology	Number of countries
Countries where the Government either has expressed its intention to pursue the CSN or is pursuing it	
(a) The CSN is completed and has been adopted by the Government	8
(b) Final draft of the CSN is being considered by the Government for approval	6
(c) Preliminary drafts of the CSN are prepared	7
(d) Other countries where the CSN is expected to be completed by the end of 1995	21
Countries where the CSN is expected before the end of 1995 (subtotal of (a) to (d)	42

Country typology	Number of countries
Countries where the CSN process is at a very initial stage	44
TOTAL NUMBER OF COUNTRIES WHERE THE CSN IS ACTIVE	86
Countries where the Government does not intend to pursue the CSN	6
Countries where the Government has not yet made a final decision	39
TOTAL NUMBER OF COUNTRIES	131

Table 4b. CSN: status by country

Country typology	Number of countries
Countries where the CSN is either complete or expected to be completed by December 1995	
(a) The CSN is completed and has been adopted by the Government:	8
1. Bolivia, 2. Costa Rica, 3. Ghana, 4. Indonesia, 5. Mauritius, 6. Thailand, 7. Turkey, 8. Viet Nam	
(b) Final draft of the CSN is being considered by the Government for approval:	6
1. Kenya, 2. Mozambique, 3. Syrian Arab Republic, 4. Philippines, 5. Ukraine, 6. Zambia	
(c) Preliminary draft of the CSN has been prepared:	7
1. Chad, 2. Djibouti, 3. Honduras, 4. Namibia, 5. Nicaragua, 6. Niger, 7. Pakistan	
(d) Other countries where the CSN is expected to be completed by December 1995:	21

Country typology	Number of countries
Countries where the outline of the CSN has been formulated and the first draft is in preparation:	
1. Benin, 2. Botswana, 3. Comoros, 4. Ecuador, 5. Sudan	
Countries where thematic groups have been established but the participation has been limited to United Nations members:	
1. Cambodia, 2. El Salvador, 3. Uzbekistan	
Countries with an agreed work programme and established joint drafting committee and/or thematic working groups:	
1. Barbados, 2. Bolivia, 3. Burkina Faso, 4. Côte d'Ivoire, 5. Gambia, 6. Jordan, 7. Lebanon, 8. Malawi, 9. Maldives, 10. Mauritania, 11. Republic of Moldova, 12. United Republic of Tanzania, 13. Zimbabwe	
Subtotal ((a) to (d))	42
Countries where the CSN process is at an initial stage:	44
1. Angola, 2. Armenia, 3. Azerbaijan, 4. Belarus, 5. Brazil, 6. Burundi, 7. Cameroon, 8. Cape Verde, 9. Central African Republic, 10. Chile, 11. Colombia, 12. Dominican Republic, 13. Egypt, 14. Equatorial Guinea, 15. Fiji, 16. Gabon, 17. Guatemala, 18. Guinea-Bissau, 19. Guyana, 20. Jamaica, 21. Lao People's Democratic Republic, 22. Lesotho, 23. Madagascar, 24. Mali, 25. Mexico, 26. Mongolia, 27. Morocco, 28. Nigeria, 29. Panama, 30. Papua New Guinea, 31. Paraguay, 32. Samoa, 33. Sao Tome and Principe, 34. Senegal, 35. Sierra Leone, 36. South Africa, 37. Sri Lanka, 38. Togo, 39. Trinidad and Tobago, 40. Tunisia, 41. Uganda, 42. Venezuela, 43. Yemen, 44. Zaire	
TOTAL NUMBER OF COUNTRIES WHERE THE CSN IS ACTIVE	86
Countries where the Government does not intend to pursue the CSN:	6
1. Bhutan, 2. Cuba, 3. Democratic People's Republic of Korea, 4. Libyan Arab Jamahiriya, 5. Saudi Arabia, 6. Uruguay	

Country typology	Number of countries
Countries where the Government has not made a final decision on the CSN:	39
1. Afghanistan, 2. Albania, 3. Algeria, 4. Argentina, 5. Bahrain, 6. Bangladesh, 7. Bulgaria, 8. China, 9. Congo, 10. Cyprus, 11. Eritrea, 12. Estonia, 13. Ethiopia, 14. Guinea, 15. Haiti, 16. India, 17. Iran (Islamic Republic of), 18. Iraq, 19. Kazakstan, 20. Kuwait, 21. Kyrgyzstan, 22. Latvia, 23. Liberia, 24. Lithuania, 25. Malaysia, 26. Myanmar, 27. Nepal, 28. Peru, 29. Poland, 30. Qatar, 31. Republic of Korea, 32. Romania, 33. Russian Federation, 34. Rwanda, 35. Somalia, 36. Swaziland, 37. United Arab Emirates, 38. Tajikistan, 39. Turkmenistan	
TOTAL NUMBER OF COUNTRIES ON WHICH INFORMATION IS AVAILABLE	131

The process

43. Most Governments of the 85 countries where the CSN process is under some stage of implementation took the decision to start the process in 1993. One third made their decision in 1994, and a few in 1995. Experience shows that the process requires a period of preparation to ensure broad and effective participation of all concerned. After this initial period, the preparation of the CSN is now accelerating. In addition to the 7 countries where the CSN has been completed and adopted, and another group of 6 countries where a final draft has been submitted for approval to the Government, there are at least another 29 countries where the joint teams (Government/United Nations system) are at present working intensively, either to finalize the various sections or to prepare the first comprehensive draft of the CSN. In these countries, sectoral workshops are being held and background documents prepared and discussed. It can therefore be expected that the final drafts of the CSNs will be available in those countries before the end of 1995.

44. Effective information-sharing, including information from headquarters to the country level, on the purpose, value and nature of the CSN process is seen as crucial for launching this new initiative.

Support to the process

45. Representatives of the organizations of the United Nations system at the national level received information on the CSN from various sources: in addition to the instructions received from the respective headquarters, workshops were conducted with the participation of all the United Nations organizations represented in the country. Care was taken to explain the purpose and the added value to senior national officials through workshops, seminars, conferences and meetings with the senior officials in charge of external assistance. Some national workshops were organized with the support of the International Training Centre of the ILO at Turin, and with the substantive

support of the United Nations in a number of countries in Africa and Asia. Further workshops are scheduled in several countries. Other initiatives were carried out locally by the country representatives of the United Nations system and the Government.

46. The most frequent modality adopted for the preparation of the CSN is the establishment of thematic working groups, normally with the joint participation of government officials and United Nations system representatives. In some cases, the leadership of working groups is in the hands of a Government official or is co-chaired by a government official and a United Nations system official. In other cases, representatives of various United Nations system organizations chair thematic working groups under the resident coordinator system, taking assignments according to their organization's mandate and competence. In some cases, the working committees function under the authority of a steering committee or a joint task force, with the government officials charged with coordinating external assistance. These working groups collect basic documentation, carry out situation analyses, prepare discussion papers, formulate outlines, draft documents and contribute to the finalization of the CSN. In a number of countries, resident coordinators established thematic working groups and prepared preliminary background documentation. In order to ensure the leading role of the Government in the entire process, it became necessary, in some cases, to extend the preparatory phase.

47. Care was taken to use existing mechanisms whenever available. In some cases, tasks were entrusted to national consultants working with both the Government and the various United Nations system organizations.

48. Experience shows that the drafting of the CSN can be complex and time-consuming, because it involves many organizations and officials. Attempts were made to simplify this task by engaging consultants in charge of the preparation of preliminary versions of the CSN. Although this sometimes accelerated the process, this result has been at the expense in some cases of full participation of government officials and/or United Nations system officials. There are examples of countries that are proceeding at a lower speed but which achieve a fuller participation of all concerned.

49. The reasons given by the six Governments that have decided not to launch the CSN process differ. The CSN is either seen as not being applicable to their countries, or a similar, national development strategy already exists. Moreover, the CSN is not perceived by some of these countries as generating significant additional benefits beyond existing planning tools.

50. The lack of human resources available in the public sector was indicated by one Government as a reason for not starting the process. While the use of external consultants or greater reliance on the support of United Nations system organizations can mitigate these constraints, these measures were considered as a potential abdication of the required leadership of the process by the Government.

51. In some cases, alternative exercises started with the support of the United Nations system - for example, the national technical cooperation assessments and programmes (NaTCAP) - were given as a reason for not proceeding. In some

countries, the CSN has been accepted in principle, but its actual start has been delayed until other exercises could be finalized. In these cases, the following competing exercises were mentioned: NaTCAP (promoted with UNDP support), the country assistance strategy (with the World Bank) and national schemes of development policies. Although the need to harmonize the CSN and these exercises involves delays, this appears justified. Governments and United Nations country teams have recommended that a coordinated methodology should be introduced as a bridge to these similar exercises, particularly the NaTCAP and CSN processes.

52. A view voiced by some resident coordinators in countries where an official answer on the CSN is still pending is that the Government remains indifferent towards the concept. This is also the situation in several countries that have officially accepted the CSN but have not yet given it the required support. It should be pointed out that this indifference seems limited to countries where per capita income is relatively high, and the role of the United Nations system as a provider of development support is small in financial terms. A considerable number of other countries, particularly the least developed countries in Africa, have expressed a stronger interest in the potential contribution that this tool can provide, especially at a time of declining ODA.

National leadership in the CSN process

53. Effective national leadership is essential to the success of the process and for ensuring the authoritative nature of the resulting document. Experience acquired so far shows that in the great majority of cases a significant role was played by national authorities in the CSN process. Data on national roles show that in 78 per cent of the countries in Africa, 64 per cent in Asia and 40 per cent in Latin America, the CSN involves different levels of officials, from the political level (ministerial) to the technical level, the latter including either coordinating authorities or sectoral ministries. National involvement in the process also includes non-governmental components, such as the private sector, private voluntary organizations, academic groups and special purpose organizations.

Participation of the organizations of the United Nations system and support to the CSN process

54. The involvement of the entire United Nations system in all phases of the CSN process is considered essential to ensure their full support to it as a frame of reference for their main activities. Some concern was expressed that in some instances advice and inputs from the various United Nations system partners were not always obtained from the start of the process but only after a first draft had been prepared.

55. Fifty-one responses from the resident coordinator system confirmed that adequate support to the CSN process was provided by the organizations of the United Nations system, whereas in 12 countries where the CSN process had started, limited involvement by United Nations organizations was noted.

Regional dimension

56. Regional commissions and several smaller technical agencies have underlined the need to assess the experience gained in the preparation of CSNs in order to identify regional dimensions that have not received sufficient attention so far. It is important, in their view, that the CSN be used as a tool to give national authorities access to the potential of some of the more specialized agencies, using a regional perspective rather than being limited to a purely country approach. Given the nature of the CSN as a country level tool, some issues that relate to regional cooperation may not have received adequate consideration.

CSNs and United Nations system programmes

57. The CSN process affects some aspects of United Nations system programmes and activities in a country by providing a strategic frame of reference. Thus, 44 per cent of the resident coordinator responses confirm that the CSN process provides a frame of reference for the formulation of new programmes. Twenty-two per cent of the responses indicate that the CSN provides a frame of reference on the occasion of mid-term reviews. Only 11 per cent of responses indicate that amendments to the current country programmes and other activities now under way result from the CSN process. Of the 41 countries where the CSN has been completed or is expected to be completed by the end of 1995, the programming cycles are either fully harmonized or are planned for the near future in 31 countries (76 per cent).

The value of the CSN

58. Given the early stage of the implementation of the CSN process in many countries, the assessment of its full value is not possible. However, the experience gained so far suggests that the success of the CSN depends, to a large extent, on the interest and involvement shown by national authorities. Furthermore, the CSN appears to be more central to the concerns of the United Nations funds and programmes, as compared to the specialized agencies of the United Nations system.

59. Many recipient Governments, especially in Latin America and Africa, expressed the view that the CSN is a valuable tool for coordinating external aid; it also serves as a reference document for all donor agencies. One country even indicated that the CSN specifically should be part of the national programme of technical cooperation. A few countries highlighted the potential value of the CSN as a vehicle for closer collaboration between the United Nations system and the Bretton Woods institutions. None the less, another country stressed that the CSN is primarily focused on United Nations assistance to the country, and while it is a useful framework document for all aid agencies, it is not intended to serve as a basis for the assistance programmes of all external agencies. Similarly, a few countries indicated that the CSN duplicated ongoing planning and prioritization efforts within their own Governments. Some recipient Governments expressed the view that the CSN does not contribute to additional resource mobilization nor does it directly add value to existing modalities.

60. Some donor countries have expressed their concern about the slow introduction of the CSN. Therefore, these donors suggest that efforts be made to assist the countries that have already decided to start the CSN process in order to facilitate the preparation and speed up its completion.

61. The responses of resident coordinators and United Nations system colleagues contain the following suggestions:

(a) Forty-nine per cent suggest modifying the CSN so that it can refer to the level of financial resources made available by the United Nations system to a country, consistent with the rules of the respective governing bodies. This view is particularly supported by responses from Africa (64.4 per cent) and Eastern Europe (62.5 per cent), whereas it corresponds to 50 per cent of the response from Latin America and only 23.5 per cent of those in Asia;

(b) Better relating the CSN process to the activities of the World Bank and IMF is mentioned in 40 per cent of the responses - 51 per cent of those from Africa, 50 per cent of those from Eastern Europe, 40 per cent of those from Latin America, but only 21 per cent of those from Asia;

(c) Of the responding resident coordinators 36.7 per cent support the idea of modifying the CSN so that it can better describe the links with existing programmes and projects of the United Nations system organizations. This especially reflects the views of those from Africa (46.7 per cent) and from Eastern Europe (50 per cent), whereas 30 per cent of those from Latin America and 23.5 per cent of those from Asia conveyed this view;

(d) The idea of relating the CSN to all external assistance, and not to the United Nations components only, is supported by 22 per cent of the resident coordinators.

62. Suggestions to improve the quality of the CSN as a document and as a process were formulated by other resident coordinators. Some expressed concern about the fact that the CSN is a government document, which means that the pace of preparation is subject to the degree of commitment and available resources. On the other hand, according to several United Nations organizations, the CSN process is seen as not reflecting sufficiently the country's priorities because it is overly driven by resident coordinators and, in some cases, by UNDP priorities.

63. Some United Nations system organizations have expressed the view that the scope of the CSN should be extended to include other areas, such as relief, rehabilitation, reconstruction and the work of the Bretton Woods institutions. In their view, the substantive participation of many United Nations system organizations in the preparatory process needs to be significantly strengthened.

64. Views have been requested from the resident coordinator system in all recipient countries on the value of the CSN process to date. The responses indicate the following:

(a) Seventy-three per cent indicate that the CSN process establishes an effective strategic framework for United Nations system support at the country level in harmony with national priorities;

(b) Sixty-three per cent support the view that the CSN process enhances substantive consultation between the Government and the United Nations system and among the organizations of the system on issues of priorities;

(c) Fifty-seven per cent indicate that the CSN process can strengthen the Government's capacity to coordinate United Nations system support;

(d) Fifty-six per cent confirm that the CSN enhances the complementarity of country programmes of the United Nations system.

65. There is a broad recognition, both among Member States and in the United Nations system, that the concept of the CSN represents a promising new development for better and more coordinated United Nations system operational activities in support of national plans, strategies and priorities. Donor countries expressed the expectation that the CSN should become an important instrument in achieving better relevance, coordination and impact of United Nations system operational activities. Organizations of the United Nations system welcome the formulation of the CSN as a strategic tool to harmonize national priorities with the system's comparative advantage.

2. Harmonization of programming cycles

66. In paragraph 10 of resolution 47/199, the General Assembly reaffirmed that funds and programmes of the United Nations should harmonize their cycles and adapt them to national budget cycles, plans and strategies. The Joint Consultative Group on Policy's (JCGP) Subgroup on Harmonization guides the implementation of this provision through regional working groups headed by a designated agency (UNDP for Africa, UNICEF for Asia, UNFPA for Latin America and the Middle East).

67. As part of the process of implementing General Assembly resolution 47/199, the executive heads of the three JCGP member organizations (UNDP, UNICEF and UNFPA) sent a joint letter to all resident coordinators, country directors and representatives on steps to be taken to achieve harmonization of programme cycles. To harmonize programming cycles in Africa, an additional memorandum, co-signed by UNFPA and UNICEF and UNDP, was issued, requesting their representatives in Africa to reach agreement on the preferred timing for harmonization.

68. As reported to the Economic and Social Council at its substantive session of 1994, "there is now a plan in place on the harmonization of programming cycles for all countries except where local conditions are not conducive to such an approach. It will be implemented with the start of the new programme cycles" (E/1994/64, para. 21). The latest status of the harmonization of programme cycles is given in table 5 below.

Table 5. Status of harmonization of programme cycles by region

Region	List A (Countries with fully harmonized cycles)	List B (Countries where harmonization will occur by 1999)	List C (Countries where harmonization is possible)	List D (Special cases)
Africa	12	16	16	2
Asia	9	7	3	4
Latin America and the Caribbean	4	16	2	1
Middle East and Northern Africa	2	6	3	1
Total (all regions combined)	27 (25%)	45 (43%)	24 (25%)	8 (7%)

69. Working groups composed of representatives of the geographic sections/bureaux of the three organizations are monitoring the process and have proposed steps to coordinate and expedite harmonization. Four categories of countries have emerged for each region: (i) countries which have already achieved harmonization of programme cycles; (ii) countries where harmonization is agreed upon for the next cycle; (iii) countries where harmonization is possible; (iv) special cases consisting of essentially emergency-type countries which are unlikely to achieve harmonization in the near future. Available information shows that 80 per cent of the countries have either already harmonized their programme cycles or expect to do so in preparing the next programme.

3. Programme approach

Background

70. In reporting to the Economic and Social Council at its substantive sessions of 1993 and 1994 on the implementation of General Assembly resolution 47/199, detailed information was provided on the implementation of the programme approach by the United Nations system in accordance with the provisions of the resolution.

71. In 1993, the results of the CCPOQ agreement on a common interpretation of the programme approach were transmitted to the Council (see E/1993/73, paras. 37-41 and annex III). Annex III contained an agreed set of definitions of the programme approach. The following year, progress in the application of the common interpretation at the country level was reported, including that made in

developing a common understanding of how best to conduct monitoring and evaluation under this approach (see E/1994/64, paras. 22-45). In this connection, the report stated that "there is a strong commitment at all levels to using the programme approach; there is agreement on the basic principles for its application at the country level; there is an emergence of a programme approach logic, which coexists with the adoption of the project modality, particularly among those organizations that have recently adopted this approach; a more systematic and widespread use of the programme approach is taking place by using a variety of techniques; when effectively applied, the approach has proved to be a useful tool in improving substantive collaboration among United Nations system organizations" (E/1994/64, para. 23). It was also pointed out that further steps needed to be taken to achieve further progress at the country level.

72. The core of the programme approach implies the use of external funds in a form that is best suited to supporting national programme objectives. United Nations system support should be merged with national and other external support, no longer structured in separate projects but targeted to national objectives. These and related concepts were reviewed in the above-mentioned report, and they command broad support within the United Nations system. It is a modality which facilitates support by the United Nations system to upstream activities.

Status

73. The current review provides additional insights into the utilization of this approach. Responses to the resident coordinator questionnaire show that concerning a common understanding of the concept among organizations of the United Nations system and Governments at the country level nearly 55 per cent of the respondents consider there to be difficulties in this area. It is therefore understandable that almost 80 per cent of the respondents recommend that training for government officials should be promoted to help disseminate the concept and methodologies of the programme approach and that 70 per cent of respondents call for similar training for United Nations system personnel. Fifty-four per cent of respondents suggest that clearer and better coordinated guidelines should be developed. The majority of responses indicate that the use of the programme approach is growing rapidly, and almost the same number indicate that it is growing moderately. A much smaller number indicate that organizations are not using the approach at the country level.

74. Given the variety of operational contexts, the programme approach is being applied in different forms. Forty-one per cent of the responses from the resident coordinator system express the view that the programme approach is used in reference to broadly defined global development policies or strategies, consisting of loosely linked projects that are not fully integrated into programmes. Fifty-seven per cent indicate that the programme approach involves participation in national programmes, with national objectives, time-bound targets, and groups of projects and activities to achieve them. Thirty-nine per cent of the respondents indicate that the implementation of the approach is done through umbrella projects or clusters of projects, by regrouping individual projects under a common framework.

75. In assessing the results achieved through the programme approach, 64 per cent of respondents said that as a consequence of the approach, United Nations system organizations are increasingly involved in providing strategy advice, aid coordination, and upstream policy support and that the orientations of United Nations country operations are being streamlined to better address development objectives. Fifty-seven per cent of respondents consider that collections of isolated projects are giving way to new, comprehensive approaches as a result of the use of the programme approach. Another 38 per cent report that programming of new and current activities are being assessed for their impacts on development rather than for the inputs made into these activities (control of disbursements) as a benefit arising from the approach. Twenty-two per cent find that resource allocations respond more easily to changing conditions as a result of the greater flexibility in financial management ensuing from the programme approach.

76. When asked whether monitoring and evaluation presented special problems in implementing the programme approach, 60 per cent answered in the negative, while 22 per cent noted that it was sometimes a problem. As concerns arrangements made for monitoring and evaluation, 44 per cent indicated that the Government made use of the procedures of the United Nations system organizations, while under 20 per cent reported that national efforts were under way to establish a monitoring and evaluation approach in this area.

77. Eighty-four responses revealed that increased field capacity of the United Nations system organizations is required to introduce the approach effectively (34 in Africa, 24 in Asia, 18 in Latin America and the rest in other parts).

Assessment

78. There is a widely held view within the United Nations system that significant progress has been made by the system in implementing the programme approach. The guidelines formulated by CCPOQ mentioned earlier have been made available to the system as a frame of reference. Given the diversity of mandates and the variety of country-level activities, the operational interpretations of the approach and of the guidelines can vary. Some United Nations system organizations agree with reports from the countries that there is a need for more practical guidelines on how to adopt and apply the programme approach. Furthermore, the need for greater clarity and consistency in what constitutes a "national programme" in this approach has been noted by some.

79. In other words, the United Nations system has prepared "programmes" instead of "projects", but these have not yet been, as contemplated in the programme approach, fully transformed into specific elements of or inputs into coherent national programmes that are owned and managed by Governments. General Assembly resolution 47/199 envisages that where Governments do not have such programmes, the United Nations system should help to formulate them. Accordingly, in some cases, the United Nations system has proceeded to support the formulation of such programmes.

80. UNDP has, in many countries, made significant advances in shifting the bulk of its resources from numerous small projects into far fewer programmes under its country programmes. This shift has also been influenced by the decision of

the Executive Board of UNDP, in the framework of sustainable human development, to concentrate its resources on four areas: (i) poverty eradication; (ii) environment; (iii) women; and (iv) job creation.

81. It is the policy of UNICEF that all of its assistance should be provided through the programme approach. Virtually all of its programmes have been evaluated, reinforcing its conviction that the programme approach is the most effective and sustainable method of providing development assistance. All inputs are jointly identified and determined by UNICEF and the Government within the programme preparation cycle, which is the primary strength of the programme approach.

82. WFP has formulated specific proposals to shift from the current project approach to a programme approach and the Committee on Food Aid Policies and Programmes, at its session in December 1994, endorsed, in principle, the gradual introduction of the programme approach, beginning with a limited number of programmes to be submitted to the Committee for Food Aid (CFA) in November 1995. UNFPA has communicated instructions to its country support teams to extend the programme approach; additional step-by-step practical procedures will shortly be sent to all field offices. The general attitude of the specialized agencies is that, although they fully subscribe to the concepts and underpinnings of the programme approach, its actual implementation is largely governed by the fact that, in some cases, such as UNESCO, the bulk of the resources for operational activities (over 90 per cent) come from extrabudgetary sources and are thus heavily influenced by the policies of the funding body.

83. Concerning the evaluation of programmes formulated under this approach, many organizations and agencies indicate that it is too soon to make such an evaluation, as the programmes are largely in the process of being formulated or are in an initial stage of implementation. In its guidelines on the programme approach, UNDP has introduced principles for monitoring and evaluation, which have been used by the Inter-Agency Working Group on Evaluation and subsequently endorsed by CCPOQ. United Nations system organizations have also made efforts to increase the use of local resources, expertise and capacities in the delivery of operational activities, particularly through modalities such as the programme approach and national execution. FAO suggests that more efforts are required to utilize the experience of agencies systematically in the evaluation of programmes, which should be built into the design and approval stages.

84. Smaller specialized agencies such as the International Maritime Organization (IMO) and the International Telecommunication Union (ITU) and organizations such as the International Trade Centre (ITC) have pointed out that the programme approach tends to focus on broad thematic issues while they are more concerned with the development of policy and technical options in highly focused subsectoral issues and that assistance should remain flexible to meet needs in specific areas. The International Atomic Energy Agency (IAEA) has introduced new programming modalities that incorporate characteristics of the programme approach and sustainable human development objectives in 12 "model projects", which were first implemented in 1994. The 1995-1996 programme includes an additional 11 model projects that demonstrate the variety of socio-economic benefits from nuclear-based technology in national development.

85. Most Governments have welcomed the shift from the project to the programme approach as a means of bringing about a greater concentration of resources on a few priority programmes. Some Governments have expressed the view that, while they fully subscribe to the programme approach and national execution, these modalities should not be applied rigidly and that decisions should be taken on a case-by-case basis, the overarching objective being to obtain optimum results. Furthermore, some Governments and some United Nations agencies, particularly the smaller technical agencies, have also expressed concern that the programme approach, designed to bring about greater focus and to bring different elements together, should not lead to the neglect of specialized sectors. Activities in such areas, by their very nature, can be better implemented through a smaller and more sharply focused "project approach". Given sufficient resources it appears possible to integrate such specialized inputs within a broader programme approach.

86. Donor Governments have indicated that the programme approach modality is a central instrument in focusing United Nations system development activities on critical areas, helping to facilitate a clearer division of roles and the integration of development activities into national development programmes. There is therefore a need to ensure the full realization of the programme approach as a true change in programming and implementation of operational activities; this should involve more than merely a clustering of individual projects. Donor Governments place stress on the fact that the programme approach is closely linked to the preparation of the CSN.

87. Donor Governments express support for greater use of the programme approach, as a means of ensuring that the inputs of United Nations bodies are better integrated into national programmes. Ideally, this should also involve other donors, both bilateral and multilateral. According to these Governments the use of the programme approach can help improve the focus of many United Nations system programmes and can overcome the lack of coordination and the overlap of projects and programmes. They stress that emphasis should be placed on effective guidelines and training to ensure a full and common understanding and application of the programme approach concept.

88. The country review missions have confirmed that the programme approach has begun to take hold. It has yet to be fully implemented in many of the countries visited, usually because adoption of such an approach takes some time, and because many agency programmes have already been approved. In one country, the Government has systematically adopted the programme approach in managing the international development cooperation that it receives, employing the United Nations system's conceptual methodology. Integrated national programmes have been formulated around clearly defined target groups and priorities. In another case, that approach helped to integrate a multiplicity of agricultural projects in a harmonized framework; in another, it provided a global framework within which both the Government's action and the support from the donors to strengthen economic management were consistently rationalized.

89. The country missions found that the introduction of the approach had not yet led to greater cooperation within the United Nations system. It was found that there still existed a need for further technical expertise that was essential for greater use of the programme approach at the local level. In some

countries, the missions and responses from resident coordinators indicated that the United Nations system had not yet arrived at a full common understanding. Some United Nations system agency field staff were critical of the lack of practical guidance from their headquarters on issues such as the programme approach.

4. National execution

Background and status

90. In reporting to the Economic and Social Council at its substantive sessions of 1993 and 1994 on the implementation of General Assembly resolution 47/199, a considerable amount of information was provided on national execution. In 1993, the results of the CCPOQ agreement on a common framework for national execution were transmitted to the Council (see E/1993/73, paras. 42-47 and annex IV). In 1994, progress in adopting the modality of national execution was reported to the Council (see E/1994/64, paras. 22-45). The report pointed out that the implementation of national execution by the United Nations system, in terms of the common interpretation formulated by CCPOQ, was characterized by broad acceptance, although there were wide disparities in extent (5-100 per cent) and wide disparities in approaches. Since then, there have been significant developments and more information on the trends in and processes of national execution, particularly for UNDP and UNFPA.

91. There is now an increasing body of experience and evidence with regard to the practice and performance of national execution. Some preliminary efforts have been made to survey and collate such experience, including missions to selected countries by the United Nations; United Nations questionnaires and responses from Governments and United Nations resident coordinators; surveys conducted by UNDP, especially on national execution; the report of the Joint Inspection Unit of the United Nations on national execution; and the observations of the United Nations system specialized agencies.

92. The adoption of national execution for United Nations operational activities has resulted in a significant change in the role of UNDP (and, to a lesser extent, of UNFPA), which has in the past primarily relied on United Nations system agencies to undertake project and programme execution, a function now being transferred to government entities. UNICEF and WFP have in any case already conformed to the definition of national execution and established long-standing implementation relationships with Governments, so that their practices have not changed in any appreciable degree in recent years. The specialized agencies have maintained that their activities conform in practice to the definition of national execution as laid down in the common framework, and that overall responsibility and accountability for formulation and management of programmes are with Governments. They have supported Governments in establishing implementation arrangements through technical and managerial inputs, utilizing local technical resources extensively. The World Bank also conforms generally to the common framework for national execution.

93. Available statistics indicate that national execution is increasingly becoming the norm in implementing operational activities of the United Nations

system. A significant change in the magnitude of resources channelled through projects and programmes that are nationally executed can be observed. As to UNDP, in 1990 resident coordinators in a total of 60 countries indicated that 20 per cent or less of resources were channelled through nationally executed projects and programmes, and in 19 countries there was no national execution at all. As to UNFPA, of 68 reporting countries in 1990, 32 countries channelled 20 per cent or less of their resources through nationally executed projects, and 20 of those countries had no national execution at all. Only 24 countries reported that 50 per cent or more of their projects were being nationally executed.

94. That situation has changed significantly: by 1994, UNDP could report that of 95 reporting countries only 24 countries channelled less than 20 per cent of their resources through national execution and 18 countries had a share of between 20 and 50 per cent. In 50 countries that share exceeded 50 per cent and in 18 of those countries it exceeded 80 per cent national execution. UNFPA reported that of 74 reporting countries, 31 countries were adopting national execution for over 80 per cent of their projects and 13 of those countries had adopted 100 per cent national execution. In another 13 countries, the share of national execution was between 50 and 80 per cent; only in 17 countries was it less than 20 per cent.

95. When the 1994 figures for least developed countries and non-least developed countries are considered separately and on a regional basis, some important variations appear. For UNDP in 1994, the figures for 30 reporting least developed countries were as follows: below 20 per cent national execution, 10 countries; 20 to 50 per cent, 11 countries; above 50 per cent, 9 countries. For non-least developed countries, the corresponding figures were: below 20 per cent, 14 countries; 20 to 50 per cent, 8 countries; above 50 per cent, 43 countries. While only one third of the least developed countries reported over 50 per cent national execution, two thirds of the non-least developed countries reported that level. For UNFPA, 11 of 27 least developed countries reported over 50 per cent national execution, while 31 of 47 non-least developed countries reported that level, a ratio that closely resembles the UNDP ratio.

96. For UNDP, in 1994 less than 50 per cent of resources were channelled through national execution in 20 of 40 reporting countries in Africa, 19 of 28 countries in Asia, 1 of 19 countries in Latin America and 3 of 6 countries in Eastern Europe. The Asian region, in terms of number of countries, appears to be the lowest on the scale of national execution and Latin America has a significant lead over the other areas. For UNFPA, the corresponding figures are 19 of 33 reporting countries in Africa, 11 of 22 countries in Asia, none in Latin America and 2 out of 5 countries in Eastern Europe. While the level of national execution in Latin America is the highest on the regional scale, it is higher in Asia than in Africa.

97. Recent analysis by UNDP also attests to the significant changes that have occurred. In 1983, the share of national execution in the total value of approvals was about 10 per cent; by 1990, it was nearly 25 per cent. That share increased still further to nearly 44 per cent in 1991 and over 50 per cent in 1992 and 1993. Looking only at country indicative planning figures, the share of national execution as a percentage of the value of approvals increased

from 4.5 per cent in 1982 and 18 per cent in 1986 to 30 per cent in 1990, 53 per cent in 1991, 73 per cent in 1992 and 77 per cent in 1993. In 1993, of the number of projects approved (nearly 800), 76 per cent were nationally executed. Approvals in terms of the value and number of projects have moved in conformity towards greater national execution.

98. What is abundantly clear is the diversity in the practices associated with national execution. Country-specific arrangements have emerged and there is a healthy lack of standardization, enabling country circumstances to be taken into account. New relationships can be observed between country offices of UNDP and Governments in the context of projects and programmes that are increasingly nationally executed. In at least 28 countries (16 non-least developed countries, 12 least developed countries), national support services units have been established to facilitate national execution. In 80 countries (55 non-least developed countries, 25 least developed countries) country office support to entities in charge of national execution has been extended. Governments themselves have developed varied arrangements to enable the national execution of projects and programmes. In one country, for example, there is a central organization, the counterpart agency of UNDP, which also functions as the executing agency for all UNDP projects and programmes and assists implementing agencies. In several other countries, there are central UNDP-financed units within government administrations to support national execution. In still others, there are varying kinds of central support units and programme and project support units.

99. National execution has led to new functions for the country offices of UNDP, undertaken primarily at the request of Governments. Thus, in many countries both least developed countries and non-least developed countries, UNDP country offices provide necessary support to national project directors in areas of administrative and financial management for which those directors remain accountable, resulting in new types of skills being required in country offices and also resulting in the reallocation of functions.

100. While it is clear that the increasing use of national execution for UNDP-supported activities has been primarily due to UNDP policy mandates and the consequent advocacy of national execution by UNDP, there is also increasing evidence that Governments are committed to national execution. Of 109 responses, 50 per cent show a strong commitment to national execution, which is strongest in Latin America (74 per cent), Africa (51 per cent) and Asia (45 per cent). The same degree of commitment was not evident in Eastern Europe, where 43 per cent of the Governments surveyed indicated a lower level of commitment. Responding to a question whether countries had a systematic policy for strengthening national execution, 54 per cent of resident coordinators serving in non-least developed countries and 81 per cent from least developed countries answered in the affirmative. Most resident coordinators consider that some United Nations system organizations have been actively promoting national execution through training and advocacy.

101. With the increasing adoption of national execution, the degree of intensity of the engagement of specialized and technical agencies of the United Nations system in operational activities at the country level has declined. In responding to a question on the use of United Nations technical expertise in

activities that are nationally executed, only 15 of 95 resident coordinators considered it significant. Fifty other resident coordinators stated that some use was being made of United Nations system technical expertise and 30 stated that it was little used. The trend appears to be to obtain the technical services of United Nations system agencies more selectively through short-term expertise and to avoid managerial and administrative inputs. United Nations system agencies in several instances are finding it difficult to adjust from an executing agency role to the new situation of supporting the implementation of activities on a more selective basis.

102. The great majority of the recipient Governments have indicated that they would welcome the expansion of the national execution modality, as they believe that national execution should be the norm for their operational activities. They consider that national execution is an important means by which they can acquire expertise to manage more effectively development cooperation activities. Most Governments of developing countries have stressed that national execution has strengthened capacity-building, especially in designing and formulating programmes and projects, as well as assembling and managing different inputs.

103. Many United Nations system agencies have expressed serious concern about the manner of implementation of programmes and projects in the context of national execution and the reduced opportunities for making technical contributions through system-supported projects and programmes. They are particularly concerned with the pace of implementation without regard to national capacities, the de-linking of execution, implementation and technical advice, the creation of units outside normal government structures that contribute to the marginalization of United Nations system agencies, and the increasing engagement of the UNDP Office for Project Services (OPS). Smaller technical agencies feel particularly left out as they have no field representation. They are also concerned about the involvement of outside agencies in highly specialized fields where United Nations system agencies have comparative advantages (civil aviation, telecommunications, transportation and nuclear technology) and the limitation of opportunities for developing countries to harness their technical capacities. The capacity to undertake such technical activities often requires extensive institutional capacity-strengthening.

National capacity

104. National execution has led to greater use of national capacities, especially the increased use of national experts and national institutional resources. Where national capacities are weak, Governments appreciated United Nations system support to establish the necessary capabilities to carry out national execution. A concern none the less expressed by some recipient countries is in regard to the need for sustained efforts by the United Nations system to establish and strengthen systemic broad-based national capacity. Of 95 responding resident coordinators (30 least developed countries, 65 non-least developed countries), 51 considered that the contribution of national execution to the use of national capacity was significant. Forty-four resident coordinators considered that national execution was making only some or little contribution. The reasons for the varied pattern of national capacity use cannot be clearly established. Countries higher up on the income scale are inclined to use such capacities more than others. Many responses from the field

considered that national execution created more opportunities for the use of national capacities than agency execution.

105. While only a few instances can be observed of non-governmental entities executing projects and programmes, there is evidence of their extensive use in various implementational roles, especially through subcontracting arrangements. According to responses from resident coordinators, 90 per cent of countries in Latin America, 83 per cent in Africa, 73 per cent in Asia and 43 per cent in Eastern Europe had utilized the services of non-governmental organizations to execute or implement operational activities. Some United Nations system agencies were more inclined to utilize non-governmental organization services than others, which has more to do with the sectoral focus of an agency, social sector agencies having more opportunities to tap non-governmental organization capacities than some others.

Accountability

106. The increasing adoption of national execution has major implications for the processes of accountability, both financial and substantive. It is also a relatively new area for Governments, especially with regard to technical cooperation. Resident coordinators indicated that about one in three countries felt that the issue of accountability was adequately addressed, while most countries felt that it was at least partially addressed; however, about 15 to 20 per cent felt that it was not adequately addressed. The difficulties in accountability arrangements were reported by resident coordinators to be primarily attributable to a disparity between government and United Nations system procedures, a lack of transparency in financial accountability, inadequate capacity in accounting practices and excessive focus on financial instead of substantive accountability.

107. Current practices in many countries where UNDP country offices assist national project directors with administrative and financial management proved to have important implications for financial accountability and a type of joint responsibility, particularly when Governments and country offices had developed mechanisms to facilitate financial accounting and reporting. In many countries, substantive accountability has been lacking and prevailing mechanisms to ensure substantive accountability, such as tripartite reviews and programme review committees, are seen as primarily concerned with administrative and managerial issues and provisions of inputs.

108. Many types of difficulties in national execution have been identified in the country responses to the questionnaire. While 9 out of 10 responses from resident coordinators from Africa, Asia and Eastern Europe encountered difficulties, only 1 in 2 respondents from Latin America had such difficulties. Among the difficulties reported by resident coordinators are: constraints due to national capacity (65); accountability (52); financial rules and audit (50); complexity of United Nations rules and procedures (49); government policy towards national execution (29) and inadequacy of guidelines for national execution (20). Many of the 109 reporting countries identified more than one difficulty. Two thirds indicated specifically that the diversity and complexity of the rules and procedures of United Nations organizations were a source of difficulty.

109. In conclusion, national execution is now becoming the norm in United Nations system technical cooperation, with agency execution having diminished and becoming the exception in most countries. There are still a few countries in which UNDP-supported activities are mainly undertaken through agency execution. The qualitative aspects involved in these changes cannot be judged adequately from current evidence. As the common framework established by CCPOQ has stated, the essence of the transfer is know-how and not financial resources. Among other objectives is also the need to achieve greater cost effectiveness in operational activities and to ensure that the comparative advantages of the United Nations system are fully available to recipient countries. The extent to which national execution achieves these objectives requires further exploration.

D. United Nations system coordination mechanisms at the global level in support of country action

1. Consultative Committee on Programme and Operational Questions

110. Throughout the period under review, the ACC Consultative Committee on Programme and Operational Questions (CCPOQ) continued to give priority attention to the enhancement of the efficiency and effectiveness of the operational activities for development of the United Nations system, with particular reference to General Assembly resolutions 47/199 and 44/211.

Resident coordinator system

111. In 1995, CCPOQ adopted on behalf of ACC an updated and consolidated statement on the role and functioning of the resident coordinator system. Taking into account the earlier principles on coordination in the field adopted by ACC in 1961, 1967, 1979 and 1989-1990, the statement incorporated the provisions of resolution 47/199 aimed at the strengthening of the resident coordinator system.

112. Action has been taken to improve the response of the United Nations system to concerns and suggestions raised by resident coordinators and their colleagues, notably through the analysis and review by CCPOQ of the resident coordinators' annual reports and the improvement of briefing arrangements at headquarters locations on the occasion of visits by resident coordinators.

Country strategy note

113. The adoption by CCPOQ, at its first regular session of 1993, of basic principles and procedures for assisting Governments in the preparation of country strategy notes (CSNs) was followed up in October 1993 by a workshop of selected country teams and national government participants to identify more substantively the possible structure and content of country strategy notes. The resulting guidance notes for the preparation, design and implementation of country strategy notes were reviewed by CCPOQ in early 1994 and distributed to all resident coordinators and country teams.

Programme approach

114. At its first regular session of 1993, CCPOQ agreed on a system-wide common interpretation of the programme approach and developed a number of considerations for its implementation. These were followed up in April 1994 by an inter-agency workshop to assess the state of implementation of the programme approach and national execution, based on reports of missions to eight developing countries. The subsequent review by CCPOQ, at its first regular session of 1994, confirmed the progress in the use of the programme approach at all levels and identified a number of modalities for its further development, particularly through training.

115. In accordance with paragraph 13 of resolution 47/199, CCPOQ furthermore approved, at its first regular session of 1995, guiding principles for a monitoring and evaluation methodology in the context of the programme approach. Those principles were developed in close consultation with the Inter-Agency Working Group on Evaluation and seek to ensure the incorporation of monitoring and evaluation considerations in the programme approach, joint government and United Nations system responsibility for delivery of the United Nations system component, and action to strengthen national monitoring and evaluation capacities.

116. Based on the lessons learned from the above-mentioned exercise, a further workshop is planned for later in 1995 to clarify certain concepts of the programme approach; develop operational instructions for the application of the above-mentioned principles, including their relationship to accountability; and develop related training modules.

National execution

117. In accordance with paragraph 22 of resolution 47/199, CCPOQ developed and approved, at its first regular session of 1993, a common interpretation of national execution and implementation arrangements to be applied by the United Nations system. In April 1994, inter-agency consultations highlighted the extent to which national execution has been adopted as the norm for delivery of United Nations operational activities. Ongoing CCPOQ reviews have focused on the means of ensuring the involvement of the specialized and technical agencies in the planning, formulation, implementation and evaluation stages, through, inter alia, an effective functioning of the resident coordinator system and the provision of corresponding resources. The need to strengthen national capacities for national execution has been identified as a key objective of the operational activities training programme.

Operational activities training

118. The further development and implementation of training programmes for operational activities has remained a constant preoccupation of CCPOQ. The Committee is assisted in this regard by its Advisory Panel on Operational Activities Training, which comprises not only CCPOQ members but also representatives of the Consultative Committee on Administrative Questions (Personnel and General Administrative Questions (CCAQ(PER)) Subcommittee on

Training, the Joint Consultative Group on Policy (JCGP) Subgroup on Training and individual experts.

119. The programme on the management of field coordination for senior United Nations system representatives has been actively pursued: 14 workshops involving 66 country teams and over 400 participants were organized between March 1991 and March 1995. The structure and contents of the workshops are constantly reviewed in order to reflect the latest challenges facing the United Nations system - for example, on coordination in humanitarian and emergency relief situations. In September 1994, an extensive evaluation carried out by the Advisory Panel underlined the contribution of the workshops to the process of ensuring substantial progress in field coordination and thereby in the effectiveness and efficiency of United Nations system operations in support of national development.

120. The Advisory Panel evaluation further emphasized the need for greater follow-up at the country level, notably in the context of national workshops consisting of both the United Nations country team and national officials, as soon as possible after a Turin workshop. The introduction of the country strategy note process has given particular relevance to that process: workshops were organized in 1994 in the Syrian Arab Republic, Ghana, Pakistan and Mauritania.

121. The major innovation in operational activities training has been the development of the national capacity training programme, mandated by CCPOQ in 1992. The programme targets the training of trainers in programme formulation and management and includes training modules in a number of areas, such as policy analysis and planning, budgeting, procurement, staff management and donor relations. Six workshops of four weeks' duration each were conducted at Turin between September 1993 and March 1995, involving 21 country teams and 135 participants, mainly from national institutions.

2. Joint Consultative Group on Policy

122. Throughout the period under review, JCGP and several of its working groups and subcommittees devoted much of their attention to the implementation of General Assembly resolution 47/199. The specific results achieved are reviewed in the various substantive sections of the present report. Significant work has advanced in a number of areas, such as the harmonization of programme cycles and the harmonization of key terminology in United Nations system development activities. In accordance with paragraph 39 (d) of resolution 47/199, the pool for resident coordinators was widened and a modified system for their selection and appointment was adopted.

123. JCGP continues its work on monitoring and evaluation, aid accountability and management audit systems, common premises and services.

Harmonization of key terminology in United Nations development activities

124. The common interpretation of programme terminologies used within the United Nations system of development assistance is a step towards achieving greater

harmonization and simplification in the procedures of operational activities of the United Nations system. The results of that work by JCGP is contained in a report on harmonization of key terminology in United Nations development activities, which has been sent to all country representatives and JCGP staff.

Aid accountability

125. In response to requests contained in General Assembly resolution 44/211 and 47/199 to enhance accountability, JCGP, through its Subgroup on Harmonization, initiated a comparative study of the financial accountability requirements of UNDP, UNFPA and UNICEF; that work is still continuing.

Monitoring and evaluation

126. The Working Group on Monitoring and Evaluation of the JCGP Subgroup on Harmonization has issued a report on harmonization of monitoring and evaluation as a step towards developing common principles and policies. The report recognized that there was already a substantial degree of harmony between the evaluation system of JCGP members. It presented a list of common principles and definitions as well as alternative approaches to the harmonization of monitoring and evaluation. It also emphasized that the exercise should start with a harmonization of terminology and product formats; that would ensure a common understanding of concepts and facilitate the sharing of information.

127. The next phase of the exercise will include:

(a) Project evaluation policies, procedures and products;

(b) Programme evaluation policies, concepts, terminology and products;

(c) Monitoring products for both project and country programmes.

128. Among the measures being pursued are the following:

(a) Establishment of a system that would give each agency computerized access to the evaluation databases of the other agencies;

(b) Establishment of a joint consultant roster;

(c) Holding of a joint training in evaluation techniques;

(d) Holding of joint evaluation missions.

Management audit systems

129. A Working Group on Management Audit Systems of the JCGP Subgroup on Harmonization composed of the internal audit systems reviewed the implementation of resolution 47/199. In that connection, the Working Group:

(a) Re-emphasized the audit standards;

(b) Exchanged information on computer-assisted audit techniques;

(c) Called for the use of contractors to perform internal audits: the experience of UNDP and UNFPA was discussed and it was found that the use of commercial contractors could be a means of enhancing audit coverage and frequency;

(d) Noted that: the harmonization of procedures among agencies was seen to be an important factor for enhancing the government capacities, thus enabling it to discharge effectively its functions and responsibilities;

(e) Planned to undertake joint audits of programmes and projects: while the need for such an undertaking was recognized, it was felt that the matter required further discussion and analysis.

130. Together with the representatives of other United Nations organizations and multilateral financial institutions, the Working Group discussed the advantages and disadvantages of developing a common audit manual. A consensus emerged that that was not practicable: while auditing principles were standardized, the practice varied, given the diversity of mandates, profiles and portfolios. Nevertheless, it should be noted that a common set of auditing standards is being applied by all concerned organizations.

E. Resident coordinator system

Actions at the global level

131. General Assembly resolution 47/199 laid out some of the tools with which the resident coordinator system now works. Some of those tools had existed before but were put into a systematic relationship with each other for the first time in support of more effective operational activities. The principal tools are the programme approach, national execution and the country strategy note; experience with these tools is assessed in other sections of the present report.

132. The principal actions at the global level concerning the resident coordinator system were the work of ACC and its subsidiary bodies to implement General Assembly resolutions 47/199 and 44/211. In order to provide more coherent support to the resident coordinator system, the Secretary-General decided to entrust the Administrator of UNDP with overall responsibility for assisting him in improving the coordination of operational activities for development, including the strengthening of the resident coordinator system. Subsequently, the Administrator of UNDP established the Office of the United Nations System Support and Services, which has as one of its functions to provide management and support to the resident coordinator function.

133. As mentioned in section D above, a statement on the functioning of the resident coordinator system was adopted by CCPOQ on behalf of ACC, reflecting the results of inter-agency discussion on strengthening the role of the resident coordinator. The role and function of the resident coordinator was agreed by CCPOQ in February 1995 in a statement that is now being applied.

Pool

134. In accordance with paragraph 39 (d) of resolution 47/199, procedures were approved by JCGP in February 1994, the details of which were reported to the Economic and Social Council in its report on the implementation of resolution 47/199. In addition to JCGP organizations, candidates for the pool may also be drawn from sources such as other United Nations system organizations. In addition, a process was established for selecting among the candidates for those positions. Progress is being made in widening the choice. As of May 1995, 45 of 115 resident coordinators in post come directly from or more frequently have worked in one of the agencies other than UNDP.

Financial support

135. In May 1994, UNDP allocated $200,000 ($8,000-$10,000 per office) in support of the resident coordinator function. As of May 1995, all of this money had been committed. In October, a further $2 million was confirmed by UNDP for 1994-1996. The UNDP Executive Board at its session of 5-16 June 1995 (see decision 95/23, Successor programming arrangements) has endorsed the Administrator's proposal to earmark for the 1997-1999 period an allocation of 1.7 per cent to provide support to resident coordinators and aid coordination.

Briefing

136. Consultations have been held with the Geneva-based organizations to improve the briefing of resident coordinators. Problems still exist with briefings with respect to some agencies located outside of established headquarters.

Actions at the regional level

137. Actions at the regional level with respect to the resident coordinator system remain embryonic. However, certain initiatives have emerged recently. The regional commissions and UNDP have recently set up a task force to deal with coordination issues, including regional priorities and the involvement of the regional commissions in the country strategy note process.

Growth of role

138. Both sources indicate that the role of the resident coordinator has grown over the last three years, not only in programme matters but also on security, humanitarian, common administrative and protocol issues. Resident coordinators reported that they spent 39 per cent of their time on resident coordinator work and 41 per cent of their time on UNDP activities; the remaining 20 per cent was devoted to representing various funds and programmes of the United Nations, including the Department for Development Support and Management Services (DDSMS) of the Secretariat, WFP, UNFPA, the United Nations International Drug Control Programme (UNDCP) and UNIDO.

139. Much of the growth of the role has been in substantive areas; the tools provided via the resident coordinator system have helped in that growth. For example, the preparations for a country strategy note have been a pole around which substantive work has coalesced in some countries; in others, that pole has

been the programme approach; in others, it has been the preparation of national contributions to global conferences. Essentially, the resident coordinator system provides a mechanism that permits shared objectives and implementation.

Table 6. Percentage of time (average) devoted to resident coordinator and resident representative functions

Function	Africa	Asia	Latin America	Eastern Europe	Total
Resident coordinator function	19	18	19	17	19
Humanitarian assistance	8	6	3	10	7
Common system administrative and protocol matters	6	8	6	11	7
Security matters	8	5	5	4	6
UNDP activities	39	42	46	38	41
WFP activities	6	4	4	3	5
UNFPA activities	6	5	6	4	6
DDSMS activities	3	3	3	2	3
UNIC activities	4	3	4	10	4
Other United Nations department activities	n.a.	n.a.	n.a.	n.a.	n.a.
UNDCP	2	4	4	3	3
UNIDO	4	3	3	3	3
Other matters	4	6	9	5	5

n.a. = not available through the answers to the questionnaire

Note: The columns do not add to 100 per cent because each value represents an average of resident coordinators' individual estimates.

Unified approach in accordance with paragraph 49 of General Assembly resolution 47/199

140. The experience with the new country offices is still too new for assessing lasting impact but the offices have worked well where they have been set up. The limited data available from the country missions do suggest that the United Nations development system is more effective the more integrated the presence.

141. Three new offices were visited; each has applied the programme approach. It is somewhat early to judge the impact but it appears that each of them is in advance of other offices in that regard. There is no evidence that in those countries the trend towards greater collaboration in programmes at the country level has weakened any agency's programming, implementation or operational flexibility, accountability arrangements or advocacy capacity.

Field-level committees

142. In paragraphs 40 and 41 of General Assembly resolution 47/199, the Assembly calls upon resident coordinators to establish, in consultation with the host Government, an appropriate field-level committee with advisory functions. Just over one half of the 102 resident coordinators who responded on this issue answered positively, more in Latin America than elsewhere. About one fifth said that regular coordination meetings among United Nations system organizations were held for specific exercises even though the establishment of the field-level committee had not been formalized.

143. Three quarters of the 59 responding resident coordinators agreed that those committees ensured that major programmes and projects of the United Nations system organization were systematically reviewed to guarantee their complementarity, agency sector strategies and evaluation were reviewed, and guidance and advice were provided on proposed programmes, and that those mechanisms allowed the identification of programmes and projects of the United Nations system organization for possible complementary financing and coordinated implementation.

144. Nearly 10 per cent of the responding resident coordinators stressed that field committees did not allow the identification of United Nations programmes and projects for possible co-financing and coordinated implementation, mainly owing to the critical situation that their respective country was facing: since the Government was not available for this kind of concertation, the United Nations system limited its internal coordination to emergency assistance.

Thematic working groups

145. Seventy-two per cent of the resident coordinators confirmed the establishment of thematic working groups: the highest response is from Latin America (89.5 per cent), followed by Asia (70 per cent), Africa (69 per cent) and Eastern Europe (57.1 per cent). Seventy-five per cent of the resident coordinators in non-least developed countries, as compared with 65.7 per cent of those in least developed countries, confirmed the creation of such groups.

146. Some 4.6 per cent indicated that there were plans to establish such groups in due course. Eleven resident coordinators (seven in Africa and four in Asia) declared that the need for formal thematic working groups was not felt, whereas one or more informal thematic agency meetings were being held, as required. Finally, another group of eight resident coordinators (7.3 per cent) reported a lack of interest of donors in the establishment of thematic working groups.

147. The data suggest and the experience of the missions support the inference that the record of field programme committees and thematic working groups is

uneven. Where there was a specific task or event around which to work, such as the follow-up of a round table or a particular issue that involved several agencies and national officials, then the groups assembled for that purpose appear to have worked substantively together and the fact of group work has strengthened the system's output. However, where meetings did not have such a common impulse they met only sporadically and with little evident value added.

Cooperation among United Nations system organizations

148. Resident coordinators and other country representatives were asked to assess the type of cooperation among United Nations organizations at the country level. The number of countries reporting the level of intensity of each type of cooperation is given in table 7a.

Table 7a. Type of cooperation among United Nations organizations at the country level

	High	Medium	Low	Total
Ex-post sharing of information	47	51	6	104
Sharing of information before action is taken	39	51	14	104
Collaborative programming	26	56	22	104
Coordinated funding of government programmes and projects	19	46	34	99
Coordinated government programme and project implementation	14	54	33	101
Others	11	5	2	18

149. The information reported is generally uniform for all regions, with some exceptions. For example, the exchange of information among United Nations system organizations before action is taken is significant for over a third of those replying. Significant coordination of funding and implementation of programmes and projects is, however, less frequent, being reported by less than 20 per cent of resident coordinators.

150. The resident coordinators rated, on a scale of 1 to 10, the effectiveness of various pre-coded modes of inter-agency cooperation within the United Nations system. The global results, indicating average values of those ratings, are given in table 7b.

Table 7b. Effectiveness of inter-agency cooperation

	Africa	Asia	Latin America	Eastern Europe	Total
Formal coordination meetings with structured agenda and follow-up	7.80	7.33	6.20	6.00	7.25
Informal daily contacts at working level	7.30	7.56	7.15	8.00	7.41
Joint United Nations and government meetings	5.66	5.78	4.21	5.33	5.39
Thematic working groups with different lead agencies	6.76	6.48	7.11	6.17	6.69
Exchange of documentation	6.69	6.72	6.00	5.25	6.49
Others	6.15	7.67	7.00	10.00	6.75

151. A consistently high rating was given, in all regions, to the informal daily contacts among United Nations system organizations at the working level. A lower evaluation was given to joint United Nations and government meetings and, to a certain extent, also to the exchange of documentation. Participation in formal coordination meetings appears to have a higher rating in Africa and Asia than in Latin America and Eastern Europe. Thematic working groups have a higher rating in Latin America than the rest of the developing world.

152. Resident coordinators have taken a number of measures, such as:

(a) The establishment of inter-agency committees, including representatives of the Bretton Woods institutions;

(b) Consultations with agency field representatives concerning common contributions to round tables, consultative groups and national technical cooperation and assistance programmes (NaTCAPs);

(c) Performing joint situation analyses and needs assessments to provide common and consistent data for country strategy notes, country programmes and sectoral reviews.

153. Recently, UNDCP and UNDP came to an agreement under which the UNDP resident representative would also serve as the UNDCP representative working closely with the UNDCP country director to achieve a unified approach at the field level. Similarly, UNDCP and UNICEF made arrangements to collaborate in programme activities.

Reactions of other stakeholders to the resident coordinator system

Agencies

154. Country mission reports indicated that United Nations system representatives at the country level were concerned that many practices and procedures of their respective organizations were not yet fully harmonized. They often see themselves as having a common responsibility with respect to United Nations system operations, apart from their agency responsibilities; as a result, there is a growing awareness of intersectoral linkages that need to be established among United Nations programmes.

155. Many agency headquarters have also underlined the need to bring about a better balance between responsibilities and resources and mandate and means. They have noted the fact that neither staff nor resources sufficient to undertake system-wide functions distinct from those of UNDP have been designated.

Recipient countries

156. The country missions suggest and the resident coordinators' responses confirm that most Governments are supportive of the resident coordinator system. The country missions further confirm that the effective functioning of the resident coordinator system has a significant bearing on government perceptions of the coherence of the United Nations system at the country level.

157. Most recipient countries have positive perceptions of the resident coordinator as a means to coordinate agency activity and mobilize aid and expertise. Though only one responding country sees the resident coordinator in a leadership role in terms of designing the appropriate development programme for each country, all countries envision the resident coordinator working in close cooperation with the Government. Several advocated strengthening the resident coordinator to act as an adviser to the Government on behalf of the United Nations system. The majority agreed, however, that there would first need to be greater consultation and cooperation across agencies to make the resident coordinator more effective. Finally, countries from all regions called for the resident coordinator to be fully cognizant of the specific cultural and economic contexts of the countries in which they worked.

Donors

158. While good progress has been made in the reforms of operational activities within the United Nations system initiated through General Assembly resolutions 44/211 and 47/199, much remains to be done. The new system for selecting resident coordinators is much more open and gives the other funds and programmes a clear stake in the resident coordinator system. The effectiveness of other measures designed to strengthen the authority of the resident coordinator has been mixed. Concern has also been expressed about the disinclination of certain United Nations agencies to become fully involved in the resident coordinator system.

Improvements in the resident coordinator system

159. The resident coordinator system is important to United Nations system efficiency and effectiveness at the country level. The resident coordinator continues to be a key person to make the activities of the system more coherent and useful for the beneficiary countries. The role a resident coordinator can play still depends very much on his/her own personal qualifications. There seem to be different interpretations in the field about what coordination should include. Coordination is sometimes overtaken by umbrella donor groups in which both bilateral and multilateral donors participate.

160. The concrete action most frequently proposed by the resident coordinators (80 per cent) was greater financial and human support to the resident coordinator system. Seventy per cent sought greater clarity of mandate and additional substantive support.

F. Programme support

1. Decentralization and delegation of authority

161. During the past three years, most (23) responding United Nations system organizations have introduced changes in their organizational and management structures and practices, not only in response to the General Assembly resolutions but also as an ongoing process of streamlining, simplifying and enhancing the impact and effectiveness of their activities, as directed by their own governing organs. Decentralization and empowerment of field offices are key elements in these efforts. The pace and reach of reforms, however, vary from organization to organization and from modality to modality. Details on the changes made and results achieved are provided below.

Structural and management changes

162. The review found that there has been a continuation of delegation of authority to the field in substantive, financial and administrative areas. Half the United Nations field representatives in non-least developed countries and nearly 65 per cent of those in least developed countries report receiving increased delegation of authority in the period under consideration. The rate of delegation varies from agency to agency.

163. UNDP has strengthened its country-office capacities by introducing specialist posts in selected fields in some countries, such as sustainable development, HIV/AIDS and macroeconomy in Africa. Organizational changes were also introduced at its headquarters to provide policy leadership and support to country and regional programmes. UNICEF has shortened the country preparation cycle from 18 to 12 months and its country offices have made efforts to involve other agencies in the programme preparation and review processes (PPRPs). A recent management study conducted by a major international consulting firm has helped the organization to embark on a process of further adapting its managerial processes to refine its ability to support this decentralized structure. The number of country directors of UNFPA has been increased from 53 in 1990 to 60 in 1994. It has strengthened its professional staff by

establishing eight country support teams, bringing multisectoral population advice and technical back-stopping closer to the field, is undertaking a major revision of its programme procedures and has introduced changes in the modalities of development cooperation. WFP has restructured its operations to focus on management and programming, policy and support, transport and logistics, and has delegated authority to its country offices for project reformulation, food procurement and personnel administration.

164. Several specialized agencies (UNESCO, UNIDO, ILO and WHO) have changed their management structures and operational procedures. UNESCO has introduced a Sectoral Programme Evaluation Unit for the monitoring and evaluation of operational activities and a Division for Policy and Sectoral Analysis to provide technical advice to member States in the fields of policy, institutional reforms and management, planning and resource allocation. A new Unit for Private Sector Funding Sources has been established. In WHO, efforts are under way to simplify structures and make procedures more transparent. ILO has taken several steps to maintain and enhance its technical capacity, resource base and comparative advantage.

165. UNIDO has introduced a new programme and project management process in the context of a major organizational reform and restructuring launched in late 1993 and approved at the fifth session of the General Conference. The new process puts emphasis, inter alia, on establishing a coherent programming framework through country-specific, sectoral and thematic UNIDO support strategies; introduction of an early programme and project screening mechanism; unified approval procedures covering different sources of funds; and the decentralization of the quality assurance function. Methodologies have been refined and are increasingly applied with a view to ensuring relevance, cost-effectiveness and sustainability of programmes and projects.

166. Smaller technical agencies (UPU, ITU and ICAO) have also introduced several innovations, such as the programme budget system, strategic planning process and new offices for programme evaluation and a Technical Cooperation Bureau. One agency also strengthened its regional presence, resulting in 12 new field offices in four regions (ITU).

167. Regional commissions have also initiated important reforms and strengthened their approach to operational activities by the establishment of a multidisciplinary regional advisory group. The Department for Development Support and Management Services has reorganized its internal structure and established a Programmes and Projects Review Committee to review its activities in a more substantive and holistic manner, and has placed evaluation functions in a more central position.

168. The above-mentioned actions indicate how individual organizations are responding to the new requirements of recipient countries in order to enhance their coherence in programming and resource utilization.

2. Simplification and harmonization of procedures

169. Most countries were concerned about excessive rules and procedures and a lack of transparency, and were also concerned that information on new procedures was not transmitted to Governments effectively. Differences in procedures limit the use of local resources and skills and reduce the impact of assistance. Rules, procedures and programme cycles of the various organizations change continuously but often the changes were not made known to users.

170. Some Governments expressed concern about the complexity of financial procedures for national execution. They found that they had to satisfy the different demands of each agency and in that context recommended that the best and most simplified practices of each United Nations system organization should be identified and agreed upon as a basis of action. Reporting formats and procedures are complicated and time-consuming. They also pointed out that the lack of harmonization prevented them from establishing more integrated and coordinated arrangements at the country level.

171. Donors agreed that simplification and harmonization of procedures was needed to facilitate coordination at the country level and to make the United Nations system more transparent for both recipient countries and donors. Progress in that area was important and should be given priority; in particular, common approaches were needed to salaries/allowances for national expert/project staff in order to avoid local brain drain and unequal treatment of national staff.

172. According to the country mission reports, system-wide progress in the last three years in simplifying and harmonizing rules and procedures remains difficult to discern. In some of the countries visited, both government and United Nations system officials pointed out that the United Nations system rules and procedures were a significant barrier to greater implementation of projects by the Government and national agencies. The many different rules and procedures of the United Nations system increased the workload of the Government. Some United Nations system representatives pointed out that the simplification and harmonization of rules and procedures must be carried out at Headquarters level.

173. At present, a JCGP Subgroup on Programming Policies and Procedures under the chairmanship of UNFPA is focusing on harmonization in the areas of situation analyses, country strategy notes and monitoring and review procedures.

3. Accountability: monitoring, evaluation and audit

Changes in organizational and reporting status of the evaluation and management audit functions

174. Evaluation offices or units report to senior management either directly or as part of a policy or strategic planning office. Audit offices remain separate from evaluation offices in most organizations. A recent JIU report has recommended that each organization establish a single focal point unit under its executive head dedicated to strategic planning, performance management and

maximally effective accountability and oversight. It also recommended that organizations consider combining their oversight units, audit and evaluation.

Evaluation and related initiatives within the system

175. In 1995, WHO updated its strategies in the light of its response to global change based on agreed targets and outcomes and reorientation of resources in accordance with priorities. Its budgetary rules and procedures are already oriented towards output/performance.

176. The ILO has introduced a new reporting and evaluation system designed to ensure that its programmes focus on key objectives. A suitable data follow-up system is currently being developed. The ILO is keeping the issue of impact-oriented evaluation under review but has not yet made any specific changes. It is following the experience of other United Nations agencies in order to assess the implications of the programme approach on monitoring and evaluation procedures.

177. The UNDP programme approach uses an output budgeting strategy and format, which is outlined in its Programme Support Implementation Arrangements (PSIA) instrument. In October 1993, new guidelines for evaluators were introduced to clarify concepts of impact, sustainability, institution-building and a common framework for evaluation based on relevance, performance, outputs, outcomes and impact.

178. UNICEF has taken specific steps to harmonize and make more transparent its procedures regarding programme formulation, implementation and evaluation, and has introduced feedback mechanisms that have enhanced its capacity to support more sustainable programmes and to assess programme impact.

179. WFP indicates that it has focused on evaluation procedures that are oriented towards impact assessment, sustainability and comparative advantage. The Office of Evaluation has established a comparative memory facility in order to ensure better programming feedback.

180. UNFPA is reviewing and revising its guidelines for monitoring and evaluation in the context of the programme approach in order to streamline and harmonize the guidelines with those of other agencies. Efforts are also under way to emphasize outputs and achievements in its monitoring and evaluation processes.

181. IFAD has introduced a new project cycle, which allows a flexible inception of project ideas, taking into consideration programmes and strategies. Its evaluation functions have been updated following an external assessment and is now more focused on outputs and impact.

182. ICAO established a new Office for Programme Evaluation, Audit and Management Review, with the responsibility of providing strategic planning and accountability and as an appropriate mechanism for judging the potential value of new and outgoing programmes. The Technical Cooperation Bureau of ICAO is being restructured to make it more responsive to the needs of recipient countries.

Streamlining and rationalization of procedures and practices within the United Nations system

183. The Inter-Agency Working Group on Evaluation was set up as a subsidiary body of ACC. Initially, it helped to develop common procedures for project monitoring and evaluation; these have been supplemented recently with guidelines for monitoring and evaluation of the programme approach. The CCPOQ Subgroup on Harmonization found that substantial degree of harmony already existed between the evaluation systems of JCGP members. The differences were mainly ones of terminology, detail, emphasis or institutional framework.

184. The Working Group is also looking at mechanisms to share more actively databases as well as evaluation reports and to strengthen the system's understanding of how to build evaluation capacity in developing countries. Through the ACC Subgroup on Rural Development, a panel of experts on evaluation led by IFAD has initiated the development of guiding principles for monitoring and evaluation on gender issues. Their future work will focus on assessing participation in evaluation and on rural poverty alleviation. As a result of these initiatives, harmonization has been strengthened in the following areas: concepts, methodologies, programmes and themes.

Rationalization of accountability at the country level

185. Aid accountability has been pursued by the JCGP Subgroup on Harmonization. The Subgroup is developing common formats in order to facilitate reporting by recipient Governments.

186. Over half of all resident coordinators report some strengthening of government capacity in accounting and the monitoring and evaluation of financial and programming functions, and some enhancement in their accountability as a result. They record considerable activity by United Nations organizations in the support of government auditing capacity and strengthening of accountability. The number of countries reporting such support is given in table 8 below:

Table 8. Number of countries reporting support by United Nations organizations in strengthening accountability

Activity	Africa	Asia	Eastern Europe	Latin America
Strengthening institutions	80	59	75	80
Placing consultants	56	38	25	50
Providing methodologies	62	56	37	60
Training government staff	82	62	50	80

187. Nearly 60 per cent of resident coordinators indicate that there has been little harmonization of United Nations organizations at the country level for meeting the requirements of strengthening accountability. They urged (i) more training for government officials or for United Nations personnel charged with providing technical support to the Government; (ii) simplified procedures and better guidelines; (iii) creation of support units within the Government; (iv) additional resources and staff; (v) better access to qualified evaluators.

Global and country-level evaluations of operational activities

188. In practice, there have been no global evaluations of operational activities carried out jointly by the United Nations system as a whole. However, at the country level initiatives have been taken. The resident coordinator in one country where the country strategy note was completed has proposed that the Government use it as a basis for the review of all operational activities. A similar review was carried out in another country prior to completion of the country strategy note and the Government included the World Bank programme in the exercise. In the same country, the United Nations system (UNDP, UNFPA, UNICEF, WHO) initiated a multi-donor evaluation of the national AIDS programme as an input to the formulation of the next medium-term AIDS plan.

Use of evaluation results by the United Nations system

189. There have been external evaluations of five agencies during the last three years: IFAD, UNCTAD, UNICEF, UNFPA and WFP. They contain a variety of substantive and managerial conclusions and recommendations, some of which recognize the tensions within the system.

190. For the purpose of the present review, it is pertinent to note that the actions urged by an external evaluation requested by one part of the system may well clash with the decisions of the General Assembly seeking to promote a more unified, cost-effective and integrated approach to operational activities.

4. Common premises and common services

191. JCGP has expressed strong support for the proposal to colocate United Nations organizations and services. Moreover, in paragraph 49 of its resolution 47/199, the General Assembly requested the Secretary-General to ensure that the operational activities of the United Nations development system carried out in new recipient countries were undertaken from the outset on the basis of an integrated, unified, cost-effective and innovative approach to development cooperation and presence in the countries concerned.

192. While welcoming the decision of JCGP to set a target date for this exercise, the General Assembly in resolution 47/199 emphasized that that process should be achieved in cooperation with host Governments in a way that increased efficiency, such as by means of the consolidation of administrative infrastructures of the organizations concerned, and with no financial increase in the cost of operations either to the United Nations system or the host

developing country. JCGP and its Subgroup on Common Premises and Services have taken the lead in developing and expanding common premises and common services.

193. The lack of progress in achieving common premises was a concern expressed by some donors in reply to the review. While they recognized the practical and logistical difficulties of placing all United Nations offices in a single premise, they noted that there was an unjustified reluctance in some cases. They pointed out that the long-term benefits of common premises far outweighed the apparent advantages of independence both for individual agencies and for the United Nations system as a whole. They noted that host countries should take a firmer line with the United Nations system regarding that goal. At the same time, they understood that progress on the matter of premises will depend on availability of financial resources.

194. The current situation on the use of common premises as reported by the resident coordinators shows that common premises for United Nations system organizations are found in 47 per cent of the countries in Asia, 33 per cent in Eastern Europe, 21 per cent in Latin America and 28 per cent in Africa. The situation of common premises for JCGP organizations differs only slightly: common premises have been achieved in 33 out of 92 countries (36 per cent). With regard to regional distribution, the figure for JCGP organizations in Latin America is 50 per cent, with the figures for the other regions approximately the same as the figures for common premises for United Nations system organizations cited above.

195. Moreover, the resident coordinator responses show that the sharing of common services is more frequent than common premises, since in 56 per cent of the countries there is some kind of sharing of services (with strong geographical differences: 73 per cent in Asia, 60 per cent in Africa, 40 per cent in Eastern Europe and 20 per cent in Latin America). These responses may be less reliable than for common premises, since the nature of the services shared may vary extensively from one country to another.

196. Asked whether there was any evidence that common premises increased the efficiency and coherence of the United Nations system performance and led to financial savings, 26 per cent of the resident coordinator responses reported that sharing of common premises and services would reduce communication costs; 65 per cent expected that it would yield economies of scale; 18 per cent felt that contacts among United Nations agencies would be easier; but only 10 per cent believed that it would increase security. On that point, it should be noted that the analysis undertaken by JCGP in January 1994 demonstrated a significant cost benefit when comparing expenses for consolidated premises against expenses associated with separately renting field offices. The analysis showed that JCGP agencies could save an estimated $1.3 billion over the period 1996-2013 if United Nations system common premises were established under the ownership/leasehold modality (free donation of land by host Governments for the construction of such premises, a fixed-term lease to the developer and, at the expiry of the lease, ownership of the premises by the United Nations system). In 1994, the Secretary-General, in his report to the Economic and Social Council on progress on the implementation of General Assembly resolution 47/199, informed the Council (E/1994/64, para. 105) that the JCGP high-level meeting

held at Dhaka, from 6 to 8 February 1994 had agreed that United Nations system common premises would be constructed under that ownership/leasehold modality.

197. As an initial approach, JCGP has agreed to establish a jointly funded unit. UNDP will ensure the day-to-day operations of the unit. The JCGP Subgroup will provide oversight. The staffing of the unit and start-up funds will be provided by UNDP, UNFPA and UNICEF initially. Other agencies, as and when they participate, will be expected to pay their pro-rata share of the construction costs, including start-up costs, such as the preparation of space programme reports and site and soil surveys.

198. The General Assembly, in its resolution 48/209 of 21 December 1993, stipulated that the United Nations development system organizations should pursue the establishment of common premises at no additional cost to host Governments on United Nations organizations. The JCGP Subgroup has thus decided to focus the reform on the establishment of common premises in high-cost countries, where new premises would result in lower monthly charges and facilitate the consolidation of administrative infrastructures. To plan the activities of the Subgroup, a list of priority countries for 1995-1997 has been drawn up. It includes the following: (i) Africa: Mozambique, Namibia, Senegal and South Africa; (ii) Latin America: Bolivia, Brazil, Ecuador and Haiti; (iii) Arab region: Syrian Arab Republic and Morocco; (iv) Asia and the Pacific: Bangladesh, Pakistan, Lao People's Democratic Republic and Cambodia; (v) Europe and Commonwealth of Independent States (CIS): Kazakstan. In other locations, opportunities for economies of scale will be sought and implemented on a case-by-case basis, whenever feasible. All projects will be jointly funded and private sector funding will be sought using the ownership/leasehold modality for the construction of new United Nations system common premises or the rehabilitation/alteration of buildings provided by Governments.

199. In the CIS countries, Governments, in compliance with the provisions of the signed standard basic agreement, have each agreed to provide and have identified a building to house the United Nations system on a rent-free basis; however, the costs of the renovation to convert such buildings into functional offices will have to be borne by the participating agencies, based on the office area to be occupied. Again, UNDP as the executing agency will oversee the implementation of each project.

200. Moreover, UNDP, UNFPA and UNICEF have set up capital reserves for office premises. JCGP members have the option to evaluate in each case whether funding from their available internal resources or private-sector funding is more advantageous. WFP, which does not have such a fund, is not in a position to contribute to capital outlays but will participate through the payment of rent to meet its share of the costs.

201. Some agencies have pointed out that they currently benefit from rent-free accommodation in their host countries and are often located in the premises of the concerned ministry: common premises could thus lead to incurring additional expenses. Any move to common premises is therefore being reviewed to ensure that potentially higher costs are matched by increased efficiency and other benefits.